

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1993

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
FIRST REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

JULY 1993

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of enacted Resolve</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>ONTP</i>	<i>Ought Not to Pass report accepted</i>
<i>ENACTMENT FAILED</i>	<i>Bill failed to get majority vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference formed but unable to agree</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin.

If you have any suggestions or comments on these summaries, please let us know.

4693NRG

SPONSOR(S)
KILKELLY

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

This bill extends the medical utilization review requirements to health maintenance organizations and preferred provider organizations.

This bill requires entities applying for licenses to perform medical utilization reviews, under which there are prospective evaluations of hospitalization, services or care, continued stay reviews, discharge planning and concurrent reviews, to submit utilization review plans with their applications in accordance with the Maine Revised Statutes, Titles 24 and 24-A. The bill prohibits any connection between the pay of the entity performing the review and that entity's record of determining need for treatment or admission. It prohibits utilization review entities, their employees and paid advisors from establishing, operating or being affiliated with their own substance abuse treatment facilities or training programs.

The bill requires that the utilization review plans contain provisions for emergency and nonemergency treatment and admissions, including patient placement criteria published by the American Society of Addiction Medicine and emergency treatment and admission if the treating provider determines the treatment or admission to be medically necessary and notifies the utilization review entity within 24 hours. If the admission is for medical detoxification or treatment, there is a presumption of medical necessity of the admission. The bill specifies requirements of the medical utilization review program, including details on decision procedures, appeal procedures, identification of personnel, availability by telephone, response obligations, notification procedures and compliance with state and federal law.

The bill requires a report from the Superintendent of Insurance to the Joint Standing Committee on Banking and Insurance on or before January 1, 1994 and January 1st of each even-numbered year thereafter on the performance of entities authorized to perform utilization reviews under Titles 24 and 24-A.

This bill was carried over to the Second Regular Session.

LD 1068 An Act to Regulate Credit Insurance and to Require Disclosure to Borrowers

SPONSOR(S)
HARRIMAN

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-296 KUTASI
S-115

SUMMARY

This bill establishes the time at which lenders who require borrowers to procure insurance for the purchase of property must inform the borrowers of the borrowers' right to choose an insurance agent and insurer.

Current law limits fees paid by insurers to lenders for processing credit life and disability insurance to 10% of premium. Commissions on credit life and disability insurance are often 30% or more. This bill prohibits paying commissions on credit insurance to a creditor or anyone affiliated with a creditor, including a licensed agent and limits reimbursement to the 10% servicing fee.

This bill bases the 10% limitation on prima facie premiums rather than actual premiums, resulting in the same servicing fee for all creditors.

Committee Amendment "A" (S-115) allows 5% commissions to be paid to creditors who are licensed credit insurance agents. It adds a fiscal note.

House Amendment "A" to Committee Amendment "A" (H-296) deletes a sentence in the current statute to avoid a conflict with the committee amendment.

LD 1075 An Act to Clarify Ambiguous Language and Correct Errors in PUBLIC 221
Licensing Procedures and Requirements for Licensees
Regulated by the Superintendent of Insurance

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
HARRIMAN	OTP-AM	S-129

SUMMARY

Several omissions and inconsistencies related to licensing fees or qualifications for licensure exist and cause confusion in implementing the law. Various sections in the Maine Insurance Code related to licensure of agents, brokers, consultants and adjusters are misplaced and this bill rearranges the language to provide for consistency among categories of licensees and the treatment of those licensees for the purposes of regulation. In addition, the bill amends the Maine Revised Statutes, Title 24-A, section 601 to add certain fees for services that are authorized statutorily but that were inadvertently omitted from the fee schedule and corrects terminology so that it is consistent with the underlying statutory authority. Finally, the bill modifies language to clarify that life agents need not take a variable annuity examination in addition to a life examination and clarifies the licensure qualifications for an adjuster.

Committee Amendment "A" (S-129) adds a fiscal note.

LD 1087 An Act Repealing Advisory Boards on Banking and Insurance ONTP
Matters

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
	ONTP	

SUMMARY

This bill is submitted in compliance with Public Law 1991, chapter 844, section 8, which requires the Secretary of State to submit legislation repealing all advisory boards and commissions listed in the Maine Revised Statutes, Title 5, sections 12004-I and 12004-J as well as other advisory boards and commissions with similar functions.

Pursuant to that law, the boards and commissions have been grouped by the subject areas within the jurisdiction of each joint standing committee and each special select committee. This bill repeals certain boards and commissions identified within the jurisdiction of the Joint Standing Committee on Banking and Insurance.

Part A repeals the Council of Advisors on Consumer Credit.

Part B repeals the Continuing Education Advisory Committee.

Part C repeals the General Lines Agent Examination Advisory Board, the Life Agent Examination Advisory Board and the Adjuster License Advisory Board.