

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

LD 1115 An Act to Require Insurers to Obtain Written Consent from the Policy Owner before Transferring a Policy to Another Insurer

CARRIED OVER

SPONSOR(S)
CARLETON

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

This bill requires insurers who propose to transfer insurance contracts to fully disclose to the policy owners the reasons for and the terms and consequences of the proposed transfer. The bill requires the transferring company to obtain a policy owner's written consent before it may transfer any contract. It prohibits discrimination against policy owners who refuse to consent to a transfer. The bill prohibits discrimination against policy owners who refuse to consent to a transfer. Violations of these provisions constitute unfair trade acts under the Maine Insurance Code and, in addition, insurers remain liable on contracts transferred without full compliance.

LD 1118 An Act to Allow Elementary and Secondary Schools to Obtain Insurance Coverage through the Risk Management Division within the Bureau of General Services

ONTP

SPONSOR(S)
CHASE

COMMITTEE REPORT
ONTP

AMENDMENTS ADOPTED

SUMMARY

This bill divides the self-insurance fund administered by the risk management division within the Department of Administrative and Financial Services, Bureau of General Services into 2 funds. One fund would be for state property and one, designated in this bill as the "state-administered fund," would be for nonstate entities. Recovery against the state-administered fund is limited by contract provision and is limited to the assets of the fund as a maximum. The state-administered fund must be actuarially sound and may purchase excess insurance. The assets may be used only for insurance purposes. Provision of insurance through the state-administered fund does not expand tort liability beyond the limits of the Maine Tort Claims Act, Maine Revised Statutes, Title 14, chapter 741.

This bill includes the provision of insurance advice and services for group homes for children and persons with mental retardation and specialized children's homes in the insurance responsibilities of the risk management division.

The bill makes several technical changes to the risk management laws to separate provisions that would apply to the self-insurance fund and those that would apply to the state-administered fund. In performing the functions of both funds, the Commissioner of Administrative and Financial Services and the Director of the Bureau of General Services are not subject to insurance regulations under Title 24-A.

See also risk management bill, LD 1465, and Education Committee bills LD 586 and LD 1560.