

# 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&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; 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 &amp; 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.

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**LD 1136**    **An Act to Clarify and Amend the Law Regarding Open-end Mortgages**

PUBLIC 229

**SPONSOR(S)**  
BRANNIGAN

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-130

**SUMMARY**

This bill revises and clarifies the existing law set forth in the Maine Revised Statutes, Title 9-B, section 436, regarding the validity and priority of mortgages to financial institutions authorized to do business in this State that secure advances to be made to the borrower after the date of execution of those mortgages. In addition, this bill extends the authorization to accept open-end mortgages to mortgagees other than financial institutions authorized to do business in this State.

Committee Amendment "A" (S-130) adds definitions of "protective advances" and "contingent obligations." It clarifies the priority of those amounts. It corrects cross-references and adds a fiscal note.

**LD 1206**    **An Act to Provide More Affordable Health Insurance and Community Rating for Individuals**

ONTP

**SPONSOR(S)**  
MITCHELL E

**COMMITTEE REPORT**  
ONTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill requires that insurers that offer individual health insurance use community rating in their rate-setting process. When using community rating, the insurer may not vary the premium rate due to gender, health status, claims experience or policy duration. In addition, insurers must offer coverage and guarantee renewal to all individuals and their dependents under any individual health insurance policy offered by the insurer in this State. Nonprofit medical service organizations are subject to the same requirements by operation of the Maine Revised Statutes, Title 24, section 2321-A.

See LD 1548 on health issues and health insurance.

**LD 1285**    **An Act to Provide Family Security through Quality, Affordable Health Care**

CARRIED OVER

**SPONSOR(S)**  
RYDELL  
MCCORMICK

**COMMITTEE REPORT**

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill establishes a universal access health care system that offers choice of coverage through organized delivery systems or through a managed care system operated by the Maine Health Care Agency and channels all health care dollars through a dedicated trust fund. It reorganizes State Government as required for the delivery of a unified health care system.

1. Part A of the bill is divided into three parts.

Section A-1 states the purposes of the chapter: universal access, cost containment, and consolidation and coordination of health care functions. It contains the definition section.