

MAINE STATE LEGISLATURE

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**STATE OF MAINE
118TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 1997

MEMBERS:

Sen. Lloyd P. LaFountain III, Chair

Sen. Robert E. Murray, Jr.

Sen. I. Joel Abromson

Rep. Jane W. Saxl, Chair

Rep. Julie Winn

Rep. Thomas M. Davidson

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Rep. Sumner A. Jones, Jr.

Rep. Arthur F. Mayo III

Rep. Joseph Bruno

Staff:

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Maine State Legislature

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**ONE HUNDRED EIGHTEENTH LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees
August 1997**

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CARRIED OVER*.....*Bill carried over to Second Regular Session*
- CON RES XXX*.....*Chapter # of Constitutional Resolution passed by both Houses*
- CONF CMTE UNABLE TO AGREE*.....*Committee of Conference unable to agree; bill died*
- DIED BETWEEN BODIES*.....*House & Senate disagree; bill died*
- DIED IN CONCURRENCE*.....*One body accepts ONTP report; the other indefinitely postpones the bill*
- DIED ON ADJOURNMENT*.....*Action incomplete when session ended; bill died*
- EMERGENCY*.....*Enacted law takes effect sooner than 90 days*
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....*Emergency bill failed to get 2/3 vote*
- FAILED ENACTMENT/FINAL PASSAGE*.....*Bill failed to get majority vote*
- FAILED MANDATE ENACTMENT*.....*Bill imposing local mandate failed to get 2/3 vote*
- INDEF PP*.....*Bill Indefinitely Postponed*
- ONTP*.....*Ought Not To Pass report accepted*
- OTP ND*.....*Committee report Ought To Pass In New Draft*
- OTP ND/NT*.....*Committee report Ought To Pass In New Draft/New Title*
- P&S XXX*.....*Chapter # of enacted Private & Special Law*
- PUBLIC XXX*.....*Chapter # of enacted Public Law*
- RESOLVE XXX*.....*Chapter # of finally passed Resolve*
- UNSIGNED*.....*Bill held by Governor*
- VETO SUSTAINED*.....*Legislature failed to override Governor's Veto*

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

David E. Boulter, Director

Offices Located in the State House, Rooms 101/107/135

Enacted law summary

Public Law 1997, chapter 97 authorizes the Finance Authority of Maine to enter into an agreement with a financial institution, a credit union or other credit card issuer to sponsor a credit card to provide voluntary funding for the Scholarships for Maine Fund. The Fund provides grants to financially needy students pursuing a postsecondary education.

LD 980

An Act to Amend Provisions Applicable to Property Casualty Insurers and Reporting Requirements to the Bureau of Insurance

PUBLIC 126

<u>Sponsor(s)</u> DAVIDSON		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-148
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LD 980 proposed to do the following.

Sections 1 and 2 eliminate the requirement that insurers providing medical professional liability insurance report claims and information on the disposition of claims to the Attorney General.

Sections 3, 6, 10 and 11 reduce the reporting requirement for workers' compensation self-insurers to one report from two by eliminating the requirement that each individual self-insurer and group self-insurer report aggregate benefits paid and the annual standard premium to the Maine Self-Insurance Guarantee Association. This data would be filed with the Bureau of Insurance and the bureau would be responsible for its distribution to the Maine Department of Labor, Workers' Compensation Board and Maine Self-Insurance Guarantee Association.

Section 4 clarifies that forms filed with the bureau become public when effective, or if no effective date is provided, the forms become public when approved.

Section 5 clarifies that notice and mailing time requirements apply to the cancellation of casualty insurance policies that are in effect for 60 days or less.

Sections 7, 8 and 9 authorize the State or the University of Maine System to post security at the level of \$50,000 under the public employer provisions of the self-insurance laws. Those sections clarify that the valuation, net worth and bond rating tests apply only to municipalities and counties.

Committee Amendment "A" (H-148) proposed to allow workers' compensation self-insurers to report payrolls by class and experience modification factors for each calendar year to the Superintendent of Insurance instead of requiring the reporting of annual standard premium. Under the amendment, the superintendent determines annual standard premium based on the report filed by the self-insurer.

The amendment proposed to change the date required for submission of information to the Maine Self-Insurance Guarantee Association to May 15th and remove the amendment to Maine Revised Statutes, Title 24-A, section 237.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 126 does the following.

1. It eliminates the requirement that medical malpractice insurers report claims and information on the disposition of claims to the Attorney General.
2. It reduces the reporting requirements for workers' compensation self-insurers and requires the Bureau of Insurance to report data on the aggregate benefits paid and annual standard premium of individual and group self-insurers to the Department of Labor, Workers' Compensation Board and Maine Self-Insurance Guarantee Association.
3. It clarifies that forms filed with the Bureau of Insurance become public when effective, or if no effective date is provided, the forms become public when approved.
4. It clarifies that notice and mailing time requirements apply to the cancellation of casualty insurance policies that are in effect for 60 days or less.
5. It authorizes the State or the University of Maine System to post bond security at the level of \$50,000 under the public employer provisions of the self-insurance laws.

LD 981

An Act to Amend the Revised Maine Securities Act

PUBLIC 168

<u>Sponsor(s)</u> O'NEIL ABROMSON	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-212
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The principal purpose of this bill is to incorporate into the Revised Maine Securities Act, referred to in this summary as the "Act," changes mandated by Congress in the National Securities Markets Improvement Act of 1996, referred to in this summary as "NSMIA." The NSMIA preempts the states from exercising regulatory authority over certain aspects of the securities business, but also enhances the state role in regulating investment advisers. For purposes of promoting uniformity among the states, LD 981, to the extent practical, tracks language recommended by the North American Securities Administrators Association, the organization of state and Canadian provincial securities regulators.

With respect to sales representatives of licensed broker-dealers, NSMIA preempts a state from requiring their licensing when they engage only in transactions for existing customers who are temporarily in Maine or recently moved here. The bill proposed to implement this change at the state level by creating a licensing exemption for these transactions.

In the investment adviser area, the major impact of NSMIA is to give states the exclusive authority to license investment advisers with less than \$25,000,000 under management and to give the United States Securities and Exchange Commission exclusive licensing authority over the larger advisers. To implement that change, the bill proposed to amend the Act to create a licensing exemption for the larger advisers. Consistent with NSMIA, the bill proposed to impose a notice filing and fee requirement on the larger advisers, with the fee being the same as they currently pay for licensing.