

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:

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Sen. Robert E. Murray, Jr.

Sen. I. Joel Abromson

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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:

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

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

funds at risk, but they would nevertheless be supervised by the Superintendent of Banking and generally subject to the normal reporting, examination and enforcement provisions of the Maine Banking Code that apply to all Maine financial institutions.

Committee Amendment "A" (S-57) proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 66 authorizes the establishment of merchant banks under the Maine Banking Code. Merchant banks are required to have high initial capitalization and high ongoing capitalization requirements to ensure the safety and soundness of the institution. Merchant banks are not allowed to accept deposits. Generally, merchant banks are supervised by the Bureau of Banking and subject to the reporting, examination and enforcement provisions that apply to all Maine financial institutions.

Public Law 1997, chapter 66 was enacted as an emergency measure effective April 8, 1997.

LD 1040 An Act Directing the Bureau of Insurance to Develop Standards of Conduct for Insurance Adjusters ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COWGER TREAT	ONTP	

LD 1040 proposed to require the Superintendent of Insurance to adopt rules establishing standards of conduct for insurance adjusters.

LD 1052 Resolve, Establishing a Task Force to Examine the Desirability of a Model Municipal Building Code RESOLVE 24

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KONTOS PARADIS	OTP-AM	H-91 S-153 PARADIS

LD 1052 proposed to create a task force to study and advise the Governor and Legislature on the desirability and feasibility of developing a model municipal building code. The use by Maine municipalities of an adequately administered model code that fosters sound construction practices has the potential to reduce the price homeowners and businesses must pay for property and casualty insurance, such as homeowners' insurance. Community rating systems used by private insurance carriers that assess the effectiveness of municipal building codes and their administration are a factor in determining the price for property and casualty insurance in a given town or city.

Committee Amendment "A" (H-91) proposed to add representatives from the Consulting Engineers of Maine and the Home Builders Association of Maine to the task force.

The amendment also adds a fiscal note to the resolve.

Senate Amendment "A" (S-153) proposed to remove the emergency preamble and the emergency clause from the resolve and change the reporting date from September 15, 1997 to January 15, 1998.

Enacted law summary

Resolve 1997, chapter 24 establishes the Task Force to Examine the Desirability of a Model Municipal Building Code.

LD 1060 An Act to Provide Health Insurance Coverage for Prostate Cancer Screening DIED BETWEEN BODIES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON MAYO	ONTP MAJ OTP-AM MIN	

LD 1060 proposed to require all individual and group contracts of nonprofit hospital, medical service and health care service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older; to African-American men 45 years of age or older; and to men 40 years of age or older with a family history of prostate cancer. The bill applies to all policies and contracts in effect on or after January 1, 1998.

Committee Amendment "A" (S-274) is the minority report and proposed to require all individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older until a man reaches the age of 72 if the procedures are recommended by a physician. The amendment applies to all policies and contracts in effect on or after January 1, 1998.

The amendment also proposed to add an appropriation and allocation section and a fiscal note to the bill. Committee Amendment "A" was adopted in the Senate, but was not adopted in the House.

House Amendment "A" to Committee Amendment "A" (H-603) proposed to add an exception to the requirement that health insurance contracts provide coverage for prostate cancer screening for accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care and other limited benefit health insurance policies and contracts. House Amendment "A" to Committee Amendment "A" was not adopted.

LD 1061 An Act to Authorize State-chartered Community Development Credit Unions PUBLIC 108

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT BROOKS	OTP-AM	S-69

LD 1061 proposed to authorize the designation of community development credit unions under a state charter approved by the Superintendent of Banking. Community development credit unions are organized for the purposes