

# 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*

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*Rep. Joseph Bruno*

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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](http://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 &amp; 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&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; 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

12. The amendment also adds an allocation section and a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 430 establishes a regulatory framework for viatical settlement agreements. Viatical settlement agreements are agreements by which a person insured under a life insurance policy who has a catastrophic or life-threatening illness agrees to designate the viatical settlement provider as the beneficiary under the policy in exchange for immediate payment to the ill person. Under current state law, there are no regulatory or consumer protection provisions governing viatical settlement agreements.

The law requires viatical settlement providers who are in the business of purchasing viatical settlement agreements to be licensed by the Bureau of Insurance. Viatical producers who solicit or arrange viatical settlement agreements are also required to be licensed as life and health producers under the Maine Insurance Code.

Public Law 1997, chapter 430 also provides for the confidentiality of information relating to the viator, disclosure of rights of a viator, rights under assignment, state income taxation, conversion from a group to an individual life insurance policy, potential implications of a viatical settlement agreement and provisions for ensuring that a viator is competent and enters into the agreement voluntarily.

Public Law 1997, chapter 430 takes effect October 1, 1997.

**LD 1566**

**An Act to Require Blue Cross and Blue Shield of Maine to Report Annually to the Legislature Regarding the Fulfillment of Its Charitable Mission**

**ONTP**

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1566 proposed to require that nonprofit hospital and medical service organizations, such as Blue Cross and Blue Shield of Maine, annually report to the Legislature regarding the fulfillment of the corporation's purposes as a charitable and benevolent institution.

**LD 1568**

**An Act to Amend the Board of Directors of Nonprofit Hospital or Medical Service Organizations**

**ONTP**

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1568 proposed to amend the composition of the board of directors of nonprofit hospital and medical service organizations to require the addition of three public directors, one each appointed by the President of the Senate and the Speaker of the House, and the Commissioner of Human Services. The public directors are subject to the same term restrictions as are placed on the current directors, except that the initial term of the appointee of the President of the Senate is only two years, so that the terms of the public directors are staggered.