

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

FIRST REGULAR SESSION

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

JULY 1999

MEMBERS:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass.

Sen. I. Joel Abromson

Rep. Jane W. Saxl, Chair

Rep. Christopher P. O'Neil

Rep. Joseph C. Perry

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Rep. Kevin J. Glynn

Rep. Robert W. Nutting

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ONE HUNDRED NINETEENTH LEGISLATURE
FIRST REGULAR SESSION

Summary Of Legislation Before The Joint Standing and Select Committees
August 1999

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

The document is organized for convenient reference to information on bills considered by the committees. It is organized 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*
ENACTMENT FAILED..... *Bill failed to get vote required for enactment or final passage*
NOT PROPERLY BEFORE THE BODY..... *Ruled out of order by the presiding officers; bill died*
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 September 18, 1999.

Enacted law summary

Public Law 1999, chapter 145 requires that mortgage lenders provide closing funds to settlement agents prior to or at the time of closing. It requires that in refinancing or other loans where a right of rescission applies the lender must provide the funds to the settlement agent prior to noon of the first business day after the expiration of the rescission period. It gives consumers the right to recover damages in a civil action against a lender or settlement agent if the civil action is brought within two years after a violation occurs. If a lender or settlement agent demonstrates the violation of the statutory requirements is a bona fide error, then the consumer's recovery is limited to actual damages.

LD 117

An Act to Amend Maine's Insurance Laws Regarding Gifts and Rebates

PUBLIC 8

<u>Sponsor(s)</u> LAFOUNTAIN SAXL J		<u>Committee Report</u> OTP		<u>Amendments Adopted</u>
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LD 117 proposed to amend the insurance rebating law by capping the prize that may be offered in a raffle at a value of \$100. The bill also proposed to clarify that prizes and gifts may not be in the form of cash.

Enacted law summary

Public law 1999, chapter 8 amends the insurance rebating law by capping the prize that may be offered in a raffle at a value of \$100. It also provides that prizes and gifts may not be in the form of cash.

LD 119

An Act to Make Maine Medicare Supplement Insurance Laws Consistent with Federal Laws

**PUBLIC 36
EMERGENCY**

<u>Sponsor(s)</u> LAFOUNTAIN SAXL J		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-15
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LD 119 proposed to amend the laws governing Medicare supplement insurance policies in order to conform to requirements in federal law. It proposed to make the continuity of coverage chapter of the insurance code inapplicable to Medicare supplement policies and enact an analogous continuity of coverage section in the Medicare supplement chapter. It proposed to repeal the law allowing a person who switches from a Medicare supplement to a Medicare managed care program to switch back within a 12-month period. It proposed an effective date of April 28, 1999.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (S-15) proposed to require the Superintendent of Insurance to adopt rules concerning guaranteed issuance and continuity of coverage under Medicare supplement insurance policies.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 36 makes the continuity of coverage chapter of the insurance code inapplicable to Medicare supplement policies and enacts an analogous continuity of cover section in the Medicare supplement chapter in order to conform to requirements in federal law. It repeals the law allowing a person who switches from a Medicare supplement

to a Medicare managed care program to switch back within a 12-month period. It requires the Superintendent of Insurance to adopt rules concerning guaranteed issuance and continuity of coverage under Medicare supplement insurance policies.

The requirements of Public Law 1999, chapter 36 became effective on April 28, 1999.

LD 155

An Act to Amend the Health Plan Improvement Act

ONTP

<u>Sponsor(s)</u> MAYO LAFOUNTAIN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 155 proposed to amend the Health Plan Improvement Act to prohibit carriers offering managed care plans from paying financial incentives to participating providers to deny, reduce or limit medically necessary health care services to enrollees. The bill also proposed to give health plan enrollees the right to an independent external review of a plan's coverage decision after all internal grievance and appeals procedures have been exhausted.

See related bills LD 531, 631, 750, 1619 and 1890.

LD 165

An Act Requiring Life Insurers to Have a Return of Premium Provision

ONTP

<u>Sponsor(s)</u> HARRIMAN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 165 proposed to require that life insurance policies provide for a refund of the premium when a policyholder requests cancellation prior to the end of the period for which premiums have been paid.

LD 240

An Act to Amend the Maine Banking Code as it Pertains to ATM Surcharges

**PUBLIC 25
EMERGENCY**

<u>Sponsor(s)</u> RAND		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-16
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LD 240 proposed to permit banks and credit unions to enter into agreements not to impose surcharges on ATM transactions by the customers of those banks or members of those credit unions.

Committee Amendment "A" (S-16) proposed to add an emergency preamble, an emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 25 permits banks and credit unions to enter into agreements not to impose surcharges on ATM transactions by the customers of those banks or members of those credit unions.

Chapter 25 was enacted as an emergency measure effective March 22, 1999.