

# 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*

*Rep. Benjamin F. Dudley*

*Rep. John G. Richardson, Jr.*

*Rep. Nancy B. Sullivan.*

*Rep. Arthur F. Mayo III*

*Rep. Sumner A. Jones, Jr.*

*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](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:

*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.

**LD 280**

**An Act to Make it an Unfair Claims Practice for Insurers Who Fail to Deal in Good Faith with Claimants to Resolve Claims**

**ONTP**

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

LD 280 proposed to make it an unfair claims practice for an insurer to fail to deal in good faith with a claimant when resolving a claim made against a policy of the company's insured.

**LD 350**

**An Act to Improve the Delivery of Services in Insurance**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	ONTP MAJ OTP-AM MIN	

LD 350 proposed to allow insureds to change insurance agencies or insurance producers by sending a producer of record letter to the insurer. The agency would have been required to make copies of all records pertaining to the policy available to the new insurance agency or producer.

**Committee Amendment "A"** was the minority report of the committee and proposed to replace the bill. It proposed to do the following:

1. Allow an insured to change producers on any individual health, life, disability or long-term care policy purchased by the insurer, health maintenance organization, fraternal benefit society, nonprofit hospital and medical service organization, viatical settlement provider or risk retention group that issued the policy;
2. Clarify that the provision would not be intended to supersede or affect any existing or future written employment contract between an insurer and a producer or an agency, any severance agreement arising out of such employment, or any contract between an insurer and a producer of record;
3. Require that the new producer provide a copy of the contract or a signed affidavit stating that the redirection of commissions requested in the producer of record letter is not superseded or affected by any employment or other contract; and
4. Clarify that the agency does not have to share its record, but requires the insurer, health maintenance organization, fraternal benefit society, nonprofit hospital and medical service organization, viatical settlement provider or risk retention group to provide the new producer with copies of the policy contract and schedule of benefits.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.