

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

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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.

insurance policy within 30 days and to receive a premium refund if the applicant is not satisfied with the policy for any reason. It requires the Superintendent of Insurance to adopt rules relating to premium adequacy, premium rates and minimum standards for marketing, insurance producer compensation and testing, penalties and reporting practices. The superintendent also has the authority to adopt any necessary rules to implement various provisions, including standards for disclosure and loss ratios.

It requires insurers and insurance producers that violate any provision of chapter 68-A to pay a fine of up to the greater of three times the amount of the commission paid on each policy involved in the violation or \$10,000.

Public Law 1999, chapter 292 also governs nonforfeiture of benefits and the incontestability of long-term care insurance policies and certificates.

LD 409 **An Act to Require Insurance Companies to Provide Certain Information to the Department of Human Services** **ONTP**

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

LD 409 proposed to require that nonprofit hospital and medical service organizations, insurance companies and health maintenance organizations providing health coverage in this State provide the names, addresses, social security numbers, dates of birth and time periods of eligibility for coverage of all persons receiving health coverage to the Department of Human Services upon request. This information would have allowed the department to determine whether recipients of Medicaid benefits are concurrently eligible for private coverage from a nonprofit hospital and medical service organization, insurance company or health maintenance organization.

LD 467 **An Act Authorizing Municipalities to Create Nonprofit Corporations for the Sole Purpose of Providing Homeowners Liability Insurance to Citizens of the Municipalities** **ONTP**

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

LD 467 proposed to authorize the creation of nonprofit municipal corporations, which are wholly owned and administered by a municipality or group of municipalities, for the sole purpose of providing homeowners liability insurance to the citizens of the municipality or group of municipalities.

Committee Amendment "A" (H-135) was the minority report of the committee. Like the bill, it proposed to authorize the creation of nonprofit municipal corporations, which are wholly owned and administered by a municipality or group of municipalities, for the sole purpose of providing homeowners liability insurance to the citizens of the municipality or group of municipalities. The amendment proposed to clarify that these corporations are subject to the same requirements of the Maine Insurance Code as licensed insurance companies and are subject to the insurance premium tax. The amendment also proposed to clarify that these corporations do not have immunity from suit under the Maine Tort Claims Act.

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