

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

July 2003

Members:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass

Sen. Arthur F. Mayo III

Rep. Christopher P. O'Neil, Chair

Rep. Marilyn E. Canavan

Rep. Joseph C. Perry

Rep. Bonita J. Breault

Rep. Anne C. Perry

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. Lois A. Snowe-Mello

Rep. Michael A. Vaughan

Rep. Richard G. Woodbury

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Maine State Legislature



Office Of Policy And Legal Analysis Office Of Fiscal And Program Review

121st Maine Legislature First Regular Session

Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint 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 committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name 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 PURSUANT TO HP 1212</i>	<i>Bills carried over to the 2nd 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>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</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>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</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 that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

David C. Elliott, Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Insurance and Financial Services

LD 630 **An Act To Prohibit Mandatory Arbitration in Health Carrier Contracts** **ONTP**

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

LD 630 proposed to prohibit a carrier offering a health plan in this State from requiring mandatory, binding arbitration as the sole mechanism for formal dispute resolution under its health plans.

LD 661 **An Act To Amend the Laws Governing Privacy of Consumer Financial Information** **ONTP**

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

Currently, state law conforms to the opt-out provisions of the federal Gramm-Leach-Bliley Act regarding the disclosure of nonpublic personal information. LD 661 proposed to put in place an opt-in requirement so that financial services providers, including banks, credit unions, securities firms and mortgage companies, must have permission from individuals before disclosing nonpublic personal information to nonaffiliated 3rd parties, but only upon approval by voters at a statewide referendum.

Committee Amendment "A" (H-199) is the minority report of the committee. The amendment proposed to add a nonseverability provision to the bill. The amended language expresses the intent of the Legislature that the entire Act is invalidated if any provision is held invalid or ruled unenforceable against out-of-state or federally chartered financial services providers. Committee Amendment "A" was not adopted.

LD 666 **Resolve, To Implement a Process That Provides for Sunsetting Health Insurance Mandates** **ONTP**

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

LD 666, a resolve, proposed to require the Bureau of Insurance to review existing mandated health insurance benefits in the same manner as it is currently required to review new proposals for mandated coverage. The bureau must report to the Joint Standing Committee on Insurance and Financial Services by January 15, 2004 on the social and financial impacts, the medical efficacy of mandating the benefit and the effects of balancing the social, economic and medical efficacy considerations and determine which of the existing mandates are to be repealed, amended or continued. The resolve requires the committee to submit legislation to repeal those mandates recommended for repeal in the bureau's report.

Joint Standing Committee on Insurance and Financial Services

Committee Amendment "A" (S-89) is the minority report of the committee. The amendment proposed to remove those provisions of the resolve that require the Bureau of Insurance to make recommendations as to whether existing health insurance mandates should be continued, amended or repealed. The amendment adds an allocation section to the resolve. Committee Amendment "A" was not adopted.

LD 667

An Act To Amend the Maine Insurance Code

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN		

LD 667 proposes to require the Superintendent of Insurance to expedite the review and approval of rate filings. It also amends the property cancellation and nonrenewal laws. It proposed to expand the grounds for which a contract of property insurance may be cancelled prior to the expiration of the policy to include the following:

1. The commission of a fraudulent insurance act;
2. The failure by the applicant or the insured to disclose a negligent act or material facts that would alter the terms of the policy;
3. The discovery that the insured's property is unoccupied and custodial care is not being maintained;
4. The presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed;
5. The presence of a swimming pool on the insured property that is not fenced in if, after notification, the noncompliance continues;
6. A claims history that includes 4 losses within 5 years, unless those losses include a catastrophic loss event;
7. A loss occasioned by a dog bite, unless, after notice of cancellation, the insured removes the dog; or
8. Failure to correct in 90 days conditions that pose imminent hazards.

LD 667 has been carried over to the Second Regular Session.

LD 676

An Act Regarding Mortuary Trusts

PUBLIC 109

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO SULLIVAN	OTP-AM	S-39

LD 676 proposed to allow prearranged funeral plans to be funded with the proceeds of a life insurance policy.

Committee Amendment "A" (S-39) proposed to clarify that an insurer has satisfied the requirement to notify an assignee of a life insurance policy of a revocation of the assignment or distribution of the policy's cash value when the insurer has mailed notice by first class mail to the last known mailing address of the assignee. The amendment