

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

Staff:

Colleen McCarthy Reid, Legislative Analyst

Office of Policy and Legal Analysis

13 State House Station

Augusta, ME 04333

(207) 287-1670

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 930 **An Act To Prohibit Arbitrary Interest Rate Hikes** **ONTP**

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

LD 930 proposed to prohibit credit card lenders from increasing credit card rates for consumers in good standing based on credit information that the consumer is delinquent on payments related to other consumer credit transactions.

LD 936 **An Act To Require Insurance Policies To Provide Coverage for Medically Necessary Rehabilitation Services** **ONTP**

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

LD 936 proposed to require individual and group health insurance policies and health maintenance organization contracts to provide coverage for medically necessary rehabilitation services.

LD 1007 **An Act To Promote Clarity and Uniformity in Health Insurance Contracts** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS J	ONTP	

LD 1007 proposed to direct the Superintendent of Insurance to adopt rules to further standardize health insurance policies and rules governing the processing and billing of health insurance claims.

LD 1043 **An Act To Provide Continued Access to Health Insurance for Small Business Employees** **ONTP**

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

LD 1043 proposed to give employees whose coverage under a group policy is terminated the right to maintain coverage under that group policy at the employee's expense for 18 months. The bill applies to group policies covering fewer than 20 employees.

Committee Amendment "A" (H-346) is the minority report of the committee and replaced the bill. Like this bill, the amendment proposed to give employees whose coverage under a group policy is terminated the right to maintain coverage under that group policy at the employee's expense for 18 months and applies to group policies covering

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fewer than 20 employees. The amendment proposed to clarify that the conversion privilege is not available if the employee's employment is terminated for gross misconduct. Committee Amendment "A" was not adopted.

LD 1051 **An Act To Expand the Mission of the Public Advocate** **ONTP**

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

LD 1051 proposed to expand the duties of the Public Advocate to include oversight of the insurance industry by allowing the Public Advocate to review and make recommendations to the Superintendent of Insurance regarding insurance rates, policies and availability of products to Maine consumers. The Public Advocate also may intervene on behalf of a consumer or group of consumers of insurance products in any action before the Bureau of Insurance, other state or federal agencies or courts. It also imposes a filing fee of \$50,000 on an insurer who files for a rate change to workers' compensation insurance or employers' liability insurance written in connection with workers' compensation insurance. The fee is dedicated to the Public Advocate to fund the expanded duties as proposed in this bill.

Committee Amendment "A" (H-176) is the minority report of the committee. It proposed to add an allocation section to the bill. Committee Amendment "A" was not adopted.

LD 1058 **An Act To Extend Public Record Requirements of Nongroup Health Insurance Rate Filings to All Health Insurance Rate Filings** **PUBLIC 313**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLWELL EDMONDS	OTP-AM MAJ OTP-AM MIN	H-334

Under current law, rate filings for nongroup health insurance are public records without exception. LD 1058 proposed to extend that requirement to small group health plans and establishes that the rate filings are public records without exception in order to better inform policyholders and the public about the health insurance rates.

Committee Amendment "A" (H-334) is the majority report of the committee. The amendment proposed to clarify that small group health plan rate filings are public records except as provided by the freedom of access laws. This language explicitly preserves the exception under the current definition of a public record for trade secrets. The amendment also removes references in the bill to public hearings. Under current law and consistent with the bill's intent, small group health insurance rate filings are not subject to a public hearing or approval of the Superintendent of Insurance before becoming effective. The amendment also makes changes to clarify this requirement with the current community rating law for small group carriers.

Committee Amendment "B" (H-335) is the minority report of the committee. The amendment proposed to remove references in the bill to public hearings and make changes to clarify the filing of small group rates with the current community rating law for small group carriers. Committee Amendment "B" was not adopted.

Enacted Law Summary