

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

August 2005

Members:

*Sen. Nancy B. Sullivan, Chair
Sen. Arthur F. Mayo III
Sen. Peter Mills*

*Rep. Anne C. Perry, Chair
Rep. Lisa T. Marrache
Rep. John R. Brautigam
Rep. Charles William Harlow
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Rep. Jonathan B. McKane
Rep. Wesley E. Richardson*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote
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 June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

Joint Standing Committee on Insurance and Financial Services

LD 922

An Act Regarding Insurance Payments When an Automobile Is Totaled

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| BRYANT- DESCHENES | ONTP | |

LD 922 proposed to require insurers that provide motor vehicle insurance to provide coverage in an amount equal to the suggested retail price of a motor vehicle when a motor vehicle insured by the insurer is declared a total loss. The bill would prohibit insurers from limiting payments to the suggested wholesale price of the motor vehicle.

LD 933

An Act To Amend the Maine Life and Health Insurance Guaranty Association Act

PUBLIC 346

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-----------------------|-------------------------|---------------------------|
| BEAUDETTE SULLIVAN | OTP-AM | H-621 |

LD 933 is a concept draft pursuant to Joint Rule 208. This bill proposed to update the Maine Life and Health Insurance Guaranty Association Act to conform to the Life and Health Insurance Guaranty Association Model Act as developed by the National Association of Insurance Commissioners.

Committee Amendment "A" (H-621) replaced the bill, which is a concept draft pursuant to Joint Rule 208. Under current law, the Maine Life and Health Insurance Guaranty Association Act provides a mechanism to provide payment of benefits and continuation of coverage under an individual life or health insurance policy or annuity contract and under certificates of group coverage when an insurance company doing business in this State becomes financially impaired or insolvent. The amendment proposed to update and revise the current law in conformance with the model act from the National Association of Insurance Commissioners.

The amendment proposed to do the following.

1. It clarifies that the Act provides protection to persons covered under both individual and group life and health policies and annuity contracts.
2. It establishes the conditions under which persons who are payees or beneficiaries under a structured settlement annuity are eligible for coverage.
3. It clarifies that nonresidents may be covered under the Act in certain circumstances.
4. It adds certain exceptions, including policies and contracts issued to a self-insured or uninsured plan, policies and contracts issued by a member insurer at a time when that insurer was not licensed in this State and unallocated annuity contracts.
5. It establishes that the limits for coverage provided by the association may not exceed the lesser of the contractual obligations of the impaired or insolvent insurer under the policy or \$300,000 for life insurance