

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND TWELFTH LEGISLATURE  
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON  
LABOR  
BILL SUMMARY



MAY 1986

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BILL SUMMARIES  
MAY 1986

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature, covering the Second Regular Session of the 112th Legislature. The summaries are arranged by LD number under each committee.

All Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "CA" if it is a committee amendment. If the amendment was adopted in the House, the letter H appears after the sponsor. If it was adopted in the Senate, the letter S appears.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-AM	Ought to Pass as Amended
ONTF	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD  
2209

AN ACT TO REQUIRE EMPLOYERS TO NOTIFY EMPLOYEES  
OF THE TERMINATION OF GROUP INSURANCE

PL 1985  
c. 660

Sponsor: RUHLIN, Tuttle, Tammaro, Hale  
Committee Report: New Draft of LD 1953 (Majority Report)

H-604 HA H S

SUMMARY: The original bill, L.D. 1953, was intended to provide an easily-enforceable remedy to workers whose group health insurance was cancelled by their employer without any notice. It required employers to notify their employees of the failure to implement, the termination or the substantial modification of an employee health benefit plan. The employer would be liable for any benefits which would otherwise have been payable until that notice was given to the employees in writing. The bill required employers to keep any wage withholdings to be used to provide health insurance in a separate account and made the employer trustee of those funds until payment to an insurance carrier. The bill also provided for a lien against the employer's property in the amount for which the employer was liable under the bill, and gave that lien priority over all other liens. The bill further provided that it could be enforced by suits brought by the employees or the Department of Labor on their behalf.

The new draft, L.D. 2209, clarified that the bill would not apply to employee-operated health benefit plans (such as the Teamsters') even if the employer made financial contributions to the plan. It replaced the references to substantial modifications of health benefit plans with requirements dealing with the change of insurance carriers, requiring notice and establishing liability for failure to comply. The bill deleted the requirement that wage withholdings be placed in a separate account and rewrote the lien requirement so that the lien only arose in the event of the employer's bankruptcy. L.D. 2209 also created 2 exceptions to the notice requirement and liability established under the bill; one exception was made for employers whose failure to give the required notice was caused by circumstances beyond the control of the employer, and another exception was made for a termination of health insurance which results from a strike or lock-out. See also L.D. 2210.

House Amendment "A" (H-604) replaced the bankruptcy lien section with a reference to mechanic's liens to avoid giving these claims too great a priority in bankruptcy. As a mechanic's lien, it will be treated the same as other similar wage claims.