

MAINE STATE LEGISLATURE

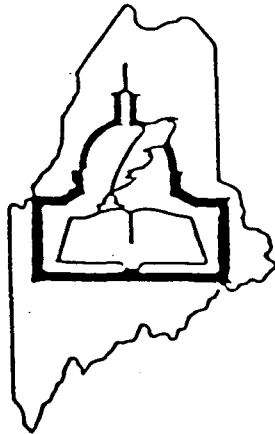
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STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON
BUSINESS AND COMMERCE
BILL SUMMARY



MAY 1986

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ONE HUNDRED AND TWELFTH LEGISLATURE
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JOINT STANDING COMMITTEE
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
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Sponsor: BRANNIGAN
Committee Report: New Draft of LD 1929

SUMMARY: The original bill, LD 1929, removes the provision in current law requiring that financial institutions establish an executive committee at an annual meeting, but retains the provision for shareholder election of such a committee. The original bill also extends a provision in current law requiring prior approval by the Superintendent of Banking for acquisition of Maine financial institutions and holding companies. Current law requires prior approval if the acquisition is by a Maine financial institution or financial institution holding company. This requirement is extended by the original bill to all other parties making such an acquisition.

The new draft permits the board of directors to appoint an executive committee made up of board members. The prior approval provision of the original bill is retained in the new draft. Additionally, control is defined in the new draft as ownership of 25% of the stock, or less if other factors exist. The new draft requires a person to give notice to the Superintendent of Banking if more than 5% of the voting power of a bank or bank holding company is acquired.

LD AN ACT TO INSURE FAIR PRACTICES IN THE SALE OF
2226 HEALTH INSURANCE POLICIES TO ELDERLY
CONSUMERS

PL 1985
c. 648

Sponsor: BRANNIGAN, Clark, N.
Committee Report: New Draft of LD 1755

S-427 BUSTIN H S

SUMMARY: Often nursing home insurance does not fall within Medicare rules and does not come within Medicare disclosure laws. The original bill, LD 1755, requires nursing home care insurance policies to meet the loss-ratio standards established for Medicare supplemental insurance policies. The bill also requires insurers to file rate information every three years and gives the Superintendent of Insurance the authority to issue rules requiring the same disclosure as is required to be made by sellers of Medicare policies. In addition the bill provides a private legal remedy for consumers who are victims of deceptive sale practices.

The new draft, LD 2226, deletes the provision for a private legal remedy. The new draft also defines "long-term care policy" and includes this type of policy in all the provisions of the bill. Senate Amendment "A" (S-427) added language to the definition of "long-term health care policy" that the Committee had approved, but which was inadvertently omitted.

LD AN ACT TO PROHIBIT MANDATORY RETROSPECTIVE PL 1985
2251 RATING IN WORKERS' COMPENSATION INSURANCE c. 719
POLICIES

Sponsor: BRANNIGAN, Murray, Willey
Committee Report: OTP, ONTP

SUMMARY: The bill permits retrospective rating plans, but makes these plans optional. The bill is contrary to a ruling by the Bureau of Insurance which permits insurance carriers to unilaterally impose retrospective rating plans on certain employers. Prior to the ruling, retrospective rating plans were voluntary.

LD AN ACT CONCERNING SELF-FUNDED POOLS AMONG PL 1985
2263 PUBLIC AGENCIES FOR TORT AND PROPERTY c. 713
LIABILITY

Sponsor: PRAY, Brannigan, Murphy, T., Kerry
Committee Report: New Draft of LD 1708

S-447 TRAFTON H S

SUMMARY: The original bill, LD 1708, allows any 2 or more political subdivisions to form a pool to self-insure. Such pools will not be regulated as insurance companies. The new draft adds audit requirements and limits pooling to 10 or more municipalities or school administrative districts or an organization representing 10 or more political subdivisions. A Senate Amendment (S-447) was added to maintain competition between commercial insurers and self-insurance pools by including commercial insurers in a section providing that excess insurance or reinsurance bought to meet obligations will not increase liability limits imposed by the Maine Tort Claims Act.

LD AN ACT TO ESTABLISH A FLUCTUATING CREDIT CARD ONTP
2264 CHARGE RELATIVE TO THE PRIME RATE

Sponsor: JOSEPH, Martin, J., Pray, Rolde
Committee Report: ONTP