

STATE OF MAINE 113TH LEGISLATURE SECOND REGULAR SESSION



BILL SUMMARY JOINT STANDING COMMITTEE ON BANKING AND INSURANCE

MAY 1988

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ONE HUNDRED AND THIRTEENTH LEGISLATURE FIRST & SECOND SPECIAL SESSIONS SECOND REGULAR SESSION

JOINT STANDING COMMITTEE BILL SUMMARIES MAY 1988

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. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are indicated as follows::

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

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Secretaries: Charlene Brann, Janet Jean, Earl Knox, Valarie Parlin; Research Assistant Hartley Palleschi. Finally, Secretary Laurette Knox, Legal Assistant Carolyn Chick, and Research Assistant Robert Dunn had special responsibilities in the preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

LD An Act to Create the Maine Property and Casualty Joint 810 Underwriting Association

LV/WD

SPONSOR (S)	COMMITTEE	REPORT	AMENDMENT'S	ADOPTED
THERIAULT	LV/WD			
ALLEN				
RACINE				

SUMMARY

This bill establishes the Maine Property and Casualty Joint Underwriting Association. It applies to liability insurance for day care, liquor, officers and directors of nonprofit organizations, product, nurse midwife, whitewater rafting, commercial motor vehicle, medical malpractice, and any other area which the Bureau of Insurance deems appropriate other than private passenger motor vehicle, environmental impairment and workers' compensation.

This bill was carried-over from the 1st Regular Session of the 113th Legislature. The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.

LD	An Act to Provide for Competitive State Funding of Workers'	
835	Compensation	LV/WD

SPONSOR (S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MARTIN J	LV/WD	
BAKER		
MCHENRY		
BUSTIN		

SUMMARY

This bill establishes a competitive state fund for workers' compensation insurance. Employers may choose between the state fund or a private insurance carrier. Employers joining the fund would pay premiums into the fund as they would to an insurance company. The fund is to become self-supporting within a reasonable time.

This bill was carried-over from the 1st Regular Session of the 113th Legislature. The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.

LDAn Act to Authorize Financial Institutions and Credit Unions1110to Sell AnnuitiesLV/WD

SPONSOR (S)	COMMITTEE	REPORT	AMENDMENTS ADOPTED
BRANNIGAN	LV/WD		
RYDELL			

SUMMARY

CURRAN

This bill authorizes employees of financial institutions and credit unions to sell annuities to customers who have a retirement account. These employees

Office of Policy and Legal Analysispage 3 Banking and Insurance must be licensed under the Maine Insurance Code. The Superintendent is authorized to issue a limited "annuity only" license.

This bill was carried-over from the 1st Regular Session of the 113th Legislature in order to allow the Department of Professional and Financial Regulation to conduct a survey requested by the Banking & Insurance Committee. The report, Consumer Study of Insurance Sales, January 8, 1988, Strategic Marketing Services, concluded that although Maine residents are fairly negative about sales of insurance products by banks, they are also in favor of allowing banks to participate in competition for insurance sales.

The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.

LD An Act to Require Insurance Companies who Sell Workers' 1116 Compensation to Provide Certain Other Services LV/WD

SPONSOR (S)	COMMITTEE REP	ORT	AMENDMENT'S A	DOPTED
WILLEY	LV/WD			-
DUTREMBLE D				
GARLAND				

SUMMARY

This bill requires insurance companies that issue workers' compensation insurance policies to provide certain additional services. These services include safety evaluations, information concerning potential cost savings, post-injury inspections and periodic safety meetings.

This bill was carried-over from the 1st Regular Session of the 113th Legislature. The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.

LD An Act to Establish an Appropriate Penalty for Overcharging LV/WD 1132 Premiums on Workers' Compensation Insurance

SPONSOR (S)	COMMITTEE	REPORT	AMENDMENTS ADOPTED
MARTIN J	LV/WD		

SUMMARY

This bill provides that insurance companies charging rates in excess of those approved by the Superintendent of Insurance be subject to a civil penalty. This penalty is equal to 3 times the amount collected in excess rates plus total costs and expenses incurred by the State to prosecute the offense.

This bill was carried-over from the 1st Regular Session of the 113th Legislature. The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.