

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON  
BANKING AND INSURANCE  
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
JUNE 1987

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 if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

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

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

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-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD AN AT TO ESTABLISH AN APPROPRIATE PENALTY FOR CARRY-OVER  
1132 OVERCHARGING PREMIUMS ON WORKERS' COMPENSATION  
INSURANCE EMERGENCY

Sponsor: MARTIN, J.  
Committee Report: CARRY-OVER

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.

LD AN ACT REQUIRING THAT CERTAIN HEALTH INSURANCE ND LD 1698  
1135 PLANS PROVIDE FOR CARDIAC REHABILITATION  
EXPENSES

Sponsor: LAPOINTE, Bustin, Harper  
Committee Report: OTP-ND LD 1698

SUMMARY: See New Draft, LD 1698

LD AN ACT TO REQUIRE AN INSURANCE AGENT OR BROKER ND LD 1697  
1176 BE PRESENT WHEN ANY INSURANCE SALE TAKES PLACE

Sponsor: PRIEST, Collins, Tracy  
Committee Report: OTP-ND LD 1697

SUMMARY: See New Draft, LD 1697

LD AN ACT TO AMEND THE BANK HOLDING COMPANY LAW PL 1987  
1208 c. 90

Sponsor: CLARK, N., Dow, Rydell, Bott  
Committee Report: New Draft of LD 278

SUMMARY: The original bill (LD 278) provides that every application to acquire or establish a Maine financial institution holding company, including interstate transactions, is subject to the Banking Code. The original bill provides that the Superintendent of Banking may adopt rules regarding permissible activities of Maine financial institution holding companies, provided that the activities are no more restrictive than those permitted under federal law. The original bill expands current law and requires a Maine financial institution holding company acquiring or establishing an out-of-state financial institution or financial institution holding company to come under the same "net new funds" requirement as other interstate

acquisitions. The "net new funds" requirement means that a significant portion of deposits gathered in Maine must be reinvested in this State in the form of loans and investments. The original bill also requires that the Superintendent of Banking be notified when a financial institution holding company issues preferred stock or debt instruments.

The new draft makes some technical changes and clarifies that financial institution holding companies and financial institutions cannot be authorized by rule to engage in certain businesses, such as insurance, to the extent that those activities are prohibited or limited by state law. The new draft also clarifies that the debt instruments referred to in the original bill consist of capital notes or debentures.

LD            AN ACT TO AMEND THE REQUIREMENTS FOR INDIVIDUAL            PL 1987  
1270        PUBLIC SELF-INSURERS UNDER THE WORKERS'            c. 95  
              COMPENSATION ACT

Sponsor: BUSTIN, Collins, Simpson, Ogara  
Committee Report: New Draft of LD 130

SUMMARY: The original bill (LD 130) adds an alternative to the "net worth" requirement of credit worthiness for public employers that self-insure their workers' compensation exposures. This alternative test of credit worthiness is based upon a municipal bond rating by a national bond rating organization.

This new draft keeps the substance of the bill, but adds the requirement of disclosure of funds that have been appropriated to pay workers' compensation claims in the annual audit for a county, city or town.

LD            AN ACT TO PROVIDE REMUNERATION FOR PHYSICIAN            LVWD  
1278        SERVICES FOR INVOLUNTARY COMMITMENT OF PATIENTS  
              FOR PSYCHIATRIC HOSPITAL CARE

Sponsor: HARPER, Hichborn, Pearson  
Committee Report: LVWD

SUMMARY: This bill requires that payment for the cost of an examination for involuntary commitment to a mental hospital be included in health insurance policies.