

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
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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 ACT TO REQUIRE MAINTENANCE OF FINANCIAL
1799 RESPONSIBILITY BY ALL MOTORISTS

ND MIN RPT
LD 703

Sponsor: BRANNIGAN, Collins, MacBride, Ingraham
Committee Report: Minority Report of New Draft of LD 703

SUMMARY: This new draft of LD 703 is the minority report. It provides for a study of the uncompensated victims of uninsured motorists, in order to determine whether a fund is necessary and the amount that would be needed.

LD AN ACT TO AMEND THE INVESTMENT PROVISIONS AND
1821 CERTAIN RELATED SECTIONS OF THE MAINE INSURANCE
CODE

PL 1987
c. 399

Sponsor: CLARK, N., Brannigan, Clark, H., Curran
Committee Report: New Draft of LD 675

SUMMARY: The original bill (LD 675) amends the investment provisions of the Maine Insurance Code and places greater responsibility and accountability on the directors and officers of life insurers and health insurers for the setting and implementation of a prudent and balanced investment policy. It also removes, amends or adds various detailed investment restrictions, while retaining broad limitations, so as to give life insurers and health insurers greater flexibility in their efforts to achieve maximum investment returns for policyholders, consistent with safety.

This bill generally tracks comparable legislation enacted in 1983 in New York, the industry leader in insurance regulation.

The new draft makes several technical amendments. It also makes changes because of some concerns of the Bureau of Insurance.

LD AN ACT TO AMEND THE LAW RELATING TO GROUP LIFE
1845 AND HEALTH INSURANCE

PL 1987
c. 476

Sponsor: REED, Clark, N., Aliberti
Committee Report: New Draft of LD 1548

SUMMARY: The original bill (LD 1548) requires that no group health insurance may be offered in this State which is issued in another State unless the Superintendent of Insurance determines that the covered group is substantially similar to other groups listed in the law.

The new draft requires trustee groups and association groups to file certain information with the Superintendent of Insurance prior to the effectuation of insurance to assure that they are bona fide entities rather than groups formed solely for purposes of evading insurance regulation. So-called "other groups," those not fitting within specific statutory categories, will be required to obtain regulatory approval of their policy forms prior to sales of insurance covering Maine residents.

The new draft clarifies the standards under which the superintendent will review policies proposed by so-called "other groups." The "public interest" standard is replaced by language requiring "other groups" to be bona fide entities formed for purposes other than procurement of insurance.

LD AN ACT TO AMEND THE MAINE PRODUCT LIABILITY PL 1987
1858 RISK RETENTION ACT c. 481

Sponsor: BRANNIGAN, Collins, Davis, Erwin, P.
Committee Report: New Draft of LD 1559

SUMMARY: The original bill (LD 1559) amends the State law to coincide with federal law changes in the Product Liability Risk Retention Act.

The new draft incorporates a number of clarifying changes to the bill. Changes include the amendment of the definition of "plan of operation or feasibility study" and "risk retention group," clarification of filing and tax responsibilities of risk retention and purchasing groups, amendment of the provision relating to guaranty fund membership and the addition of disclosure requirements for purchasing groups.

LD AN ACT TO AFFORD CONSUMER PROTECTION IN PL 1987
1859 RETIREMENT COMMUNITIES WHICH OFFER CONTINUING c. 482
 CARE

Sponsor: CLARK, N., Gauvreau, Hickey, Diamond
Committee Report: New Draft of LD 672

SUMMARY: The original bill (LD 672) regulates continuing care retirement communities through the Department of Human Services. Continuing care retirement communities (CCRC's) are required to apply for a certificate of authority. Finances and contracts are regulated under this bill.