

MAINE STATE LEGISLATURE

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STATE OF MAINE
113TH LEGISLATURE
SECOND REGULAR SESSION



BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1988

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Sen. Beverly Miner Bustin
Sen. Donald F. Collins

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* Denotes Chair

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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 Require the Study of the Laws Regulating
2411 Antitrust Activities of the Insurance Industry

P & S
122
EMERGENCY

<u>SPONSOR(S)</u>	<u>COMMITTEE</u>	<u>REPORT</u>	<u>AMENDMENTS ADOPTED</u>
THERIAULT	OTP-AM		S-463
RYDELL			S-538 PEARSON
ALLEN			
MARTIN J			

SUMMARY

This bill expressly makes insurance rate-making subject to state fair trade laws in Titles 5 and 10. The bill also amends current law so that joint rate-making is no longer permitted.

The Committee Amendment (S-463) replaces the bill and provides for a study. The Committee Amendment requires the Banking and Insurance Committee to study the laws regulating antitrust activities in the insurance industry.

Senate Amendment A to Committee Amendment A (S-538) changes the date on which the committee is to report from December 15, 1988 to December 1, 1988.

LD An Act to Create a Joint Underwriting Association for
2432 Directors and Officers of Corporations

LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE</u>	<u>REPORT</u>	<u>AMENDMENTS ADOPTED</u>
STEVENS P	LV/WD		
CLARK H			
THERIAULT			

SUMMARY

This bill allows the Superintendent of Insurance to establish a Joint Underwriting Association for Directors and Officers of nonprofit and for-profit corporations, after notice and hearing, if this insurance is unavailable in the voluntary market. The Superintendent would have to first attempt to establish a Market Assistance Plan.

LD An Act to Improve Services for Maine's Elderly
2490

CONFERENCE
COMMITTEE
UNABLE TO
AGREE

<u>SPONSOR(S)</u>	<u>COMMITTEE</u>	<u>REPORT</u>	<u>AMENDMENTS ADOPTED</u>
PRAY	ONTP	MAJ	
CASHMAN	OTP	MIN	
BUSTIN			
DOW			

SUMMARY

This bill amends the definition of long-term care policy. It also provides tax incentives for insurance companies who sell long-term care policies and buyers of long-term care policies.

This bill also requires the Superintendent of Insurance to study the Senior Health Insurance Benefit Advisors (SHIBA) programs currently in operation in other states and to devise a strategy for implementing a similar program in this State. The superintendent is to report back to the Legislature at the First Regular Session of the 114th Legislature.

This bill was referred to the Taxation Committee after the Banking and Insurance Committee worked on the parts related to insurance and made suggestions for amendments to the bill.

The Taxation Committee's report was divided: Majority ONTP and minority OTP. The House adopted the majority ONTP report. The Senate adopted the OTP report and amended it with S-432.

Senate Amendment A (S-432) revises the definition of long term care to provide more legislative standards for policies that will qualify for the tax benefits. A committee of conference could not agree, and the bill was not enacted.

LD An Act Pertaining to the Establishment of Market Assistance PUBLIC
2495 Plans 627

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
STEVENS P		
RYDELL		
BUSTIN		

SUMMARY
New Draft Of LD 380

The original bill (LD 380) allows the Superintendent of Insurance to establish a mandatory risk-sharing plan, after notice and hearing, if insurance for foster care liability and respite care liability is not readily available in the voluntary market and the public interest requires that availability. The bill requires participation by all insurers authorized in this State to write the kinds of insurance covered by any risk-sharing plan which is established. No plan which is established under this bill would be allowed to continue for more than a year without another finding by the Superintendent, after notice and hearing, that the insurance is not available and the public requires it.

This bill was carried over from the 1st Regular Session to the 2nd Regular Session of the 113th Legislature and was referred to the Commission to Examine Problems of Tort Litigation and Liability Insurance in Maine for their consideration.

The new draft deletes all provisions for a joint underwriting association and replaces it with a provision for a voluntary market assistance plan. The new draft defines a market assistance plan and lists the duties of the superintendent. The new draft requires the superintendent to report to the Joint Standing Committee on Banking and Insurance yearly regarding availability of insurance.