

MAINE STATE LEGISLATURE

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**STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION**



**BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BUSINESS LEGISLATION**

JULY 1989

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ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

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 for 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 abbreviated 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 Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

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

Joint Standing Committee on Business Legislation

LD 28 An Act Relating to the Licensing of Insurance Agents,
Brokers and Adjusters

PUBLIC 168

SPONSOR(S)
WHITMORE
CURRAN
SIMPSON
CARROLL D

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-74

SUMMARY

This bill makes these changes to Maine law relating to the licensing of insurance agents and brokers.

1. The bill amends Maine law concerning adjusters in 3 ways. Those persons who act as insurance adjusters on behalf of the public would be required to become licensed by the Bureau of Insurance and subject to state regulation. Private adjusters who act on behalf of insurers are currently licensed. The bill extends the same regulatory protections currently enjoyed by insurers to the general public. The bill also requires those persons who adjust claims on behalf of workers' compensation self-insurers to be licensed, as well as those employees of insurers who adjust workers' compensation claims.
2. The bill eliminates a requirement that applicants for authority to sell variable life insurance contracts or variable annuities pass a separate Maine examination concerning those contracts. Those applicants have already completed thorough testing under the auspices of the National Association of Security Dealers. The State of Maine currently tests on material which is also the subject of the National Association of Security Dealers examination. The Maine test is therefore redundant.
3. The bill repeals those sections of Maine law which provide for the issuance of initial licenses to insurance agents. It is the intent of this change to protect the insurance-buying public by eliminating the possibility of insurance sales by unsupervised initial licensees who have not demonstrated sufficient knowledge to qualify for a permanent license.
4. Currently, many nonresident agents become authorized to do business in Maine without the benefit of examination. This bill requires that, if these agents subsequently seek to become licensed as residents, Maine should require a successful completion of the state-specific portion of the applicable examination.
5. It provides a cross reference in the law relating to worker's compensation self-insurance to clarify that persons who adjust claims on behalf of self-insurers must be licensed.

Committee Amendment "A" accomplishes the following:

1. Makes changes to those sections of the bill which relate to the licensing of insurance adjusters and to the elimination of the initial insurance agent license.
2. Creates an adjusters license advisory board.
3. Clarifies an ambiguity in the definition of an adjuster and exempts several groups of persons from required licensure. These groups include employees of insurers who have limited authority to process small claims, persons who adjust claims on behalf of public entities, life and health insurance claims adjusters and certain persons who are training to be adjusters.

4. Provides that the requirement that adjusters who are staff employees of insurers, public adjusters or workers' compensation self-insurance adjusters must obtain licenses does not apply until July 1, 1991.
5. Defines adjuster trainees and creates an exception to license provisions for them. Persons with less than 3 years' experience who work under supervision of licensed personnel will be considered trainees for purposes of this exception.
6. Establishes 3 limited insurance adjuster licenses which may be suitable for those persons who adjust claims relating to only limited lines of insurance.
7. Allows persons currently employed as adjusters by insurers or who are public adjusters until July 1, 1991 to pass the adjuster's license exam.
8. Provides that adjusters who are insurance company employees need not meet the bonding requirements applicable to other adjusters. Insurer assets are assessable with respect to these persons.
9. Requires the superintendent to make a recommendation to the Joint Standing Committee on Business Legislation by February 15, 1990, regarding the desirability and feasibility of requiring insurance adjusters to participate in continuing education as a condition of license renewal and excluding adjusters who have been in the business for more than 5 years.

LD 30 An Act to Amend the Medical Practice Laws

PUBLIC 5
EMERGENCY

SPONSOR(S)

LISNIK
MACBRIDE
COLLINS
MARTIN J

COMMITTEE REPORT

OTP

AMENDMENTS ADOPTED

SUMMARY

This bill makes the following three changes in the medical licensing portion of the medical practice laws.

1. Deletes the July 1, 1984, date from the law. When this date was added in 1985, concern existed over the possible compromising of the Educational Commission for Foreign Medical Graduates test given in July 1983. The Educational Commission for Foreign Medical Graduates has now ruled out the possibility of a wide-spread compromise and has determined that only in 2 test sites was the exam compromised. All candidates tested that date at those 2 centers were required to retake and pass a different version of the exam on November 17, 1983 in order to be certified by the Educational Commission for Foreign Medical Graduates. Therefore, the provision of the Maine Revised Statutes, Title 32, section 3271, subsection 1, paragraph B, and which renders any Educational Commission for Foreign Medical Graduates certification prior to July 1, 1984 a nonqualifying licensure credential is no longer required.
2. The current licensure provision requires that any graduate of a non-American Medical Association or non-Canadian approved medical school must complete 3 years in a graduate educational program approved by the Accreditation Council on Graduate Medical Education, the Canadian Medical Association or the Royal College of Physicians and Surgeons of Canada. This provision makes it