

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION



BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1989

MEMBERS

Sen. Raynold Theriault *
Sen. Beverly Miner Bustin
Sen. Donald F. Collins

Rep. Charlene B. Rydell *
Rep. Phyllis R. Erwin
Rep. Richard H. C. Tracy
Rep. Carol M. Allen
Rep. Harriet A. Ketover
Rep. Ruth Joseph
Rep. Anne M. Rand
Rep. Philip E Curran
Rep. Joseph A. Garland
Rep. Harvey C. Donald

* Denotes Chair

Staff: Deborah C. Friedman, Legislative Analyst
Haven Whiteside, Legislative Analyst

Office of Policy & Legal Analysis
Room 101, State House Sta. 13
Augusta, ME 04333
(207) 289-1670

MARTHA E. FREEMAN, DIRECTOR
WILLIAM T. GLIDDEN, PRINCIPAL ANALYST
ULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
WILBERT W. BREWER
RODD R. BURROWES
MIRO FLATEBO
JEBORAH C. FRIEDMAN
JOHN B. KNOX



STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107/135
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL: (207) 289-1670

ANNIKA E. LANE
EDWARD POTTER
MARGARET J. REINSCH
LARS H. RYDELL
JOHN R. SELSER
HAVEN WHITESIDE
CAROLYN J. CHICK, RES. ASST
ROBERT W. DUNN, RES. ASST
HARTLEY PALLESCHI, JR., RES. ASST

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.

more than 5% of the voting shares, of any financial institution or holding company, whether in-state or out-of-state, which directly or indirectly controls a Maine financial institution.

LD 50 An Act to Amend the Chapter Applicable to Medicare Supplement Insurance Policies

PUBLIC 27

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
GILL ALLEN GARLAND BEGLEY	OTP	S-17 COLLINS

SUMMARY

The bill makes several changes in the law regulating Medicare supplement policies. Some of the changes are required by federal law which provides that if state regulation of Medicare supplements does not meet federal standards for regulation, federal law will preempt state law.

To avoid federal preemption, the bill prohibits Medicare supplement contracts from including benefits that duplicate Medicare; increases the amount of time an insured has to return any policy for refund from 10 to 30 days; gives the superintendent specific authority to adopt rules to establish minimum standards for claims payment as well as benefits; and requires the filing of advertisements of Medicare Supplement policies with the superintendent 45 days before use in the state. The filing permits the superintendent to review the proposed advertisement, and, if necessary, proceed under the Unfair Trade Practices Act, 24-A MRSA §§2153, 2154 and 2155, which prohibit deceptive advertising.

The bill also raises the minimum loss ratio (the percent of premium dollar that must be paid out as benefits) from 60% to 65%, and permits health maintenance organizations to issue Medicare supplement policies. The bill restates existing language found in 24-A MRSA §2412, relating to filing and approval of forms, to clarify the application of that requirement to group Medicare supplement policies issued to groups outside the state.

Finally, the bill limits agent compensation when one Medicare supplement contract is replaced by another and both contracts are with the same insurer.

Senate Amendment S-17 changes the filing date for advertisements from a minimum of 45 days before use in the state to a minimum of 30 days before use.

LD 94 Resolve, to Establish the Commission to Study a Workers' Compensation State Fund

LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
THERIAULT RYDELL FARNUM	LV/WD	

SUMMARY

The bill establishes a commission to study a state workers compensation fund in Maine. The commission would be composed of appointees of legislative leadership, the governor, and members designated by labor, business organizations and the insurance industry. The commission is required to study the different types of state funds, the use and effectiveness of exclusive and competitive state funds, and the most appropriate means of insuring employers for workers' compensation liability. The commission is to report by December 1, 1990.