

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
114TH LEGISLATURE  
FIRST REGULAR SESSION



BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

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.

SPONSOR(S)  
BERUBE

COMMITTEE REPORT  
LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill authorizes the Superintendent of Insurance to assess monetary penalties against persons who violate provisions of the Maine Insurance Code (24-A MRSA, c.23) which deals with unfair trade practices and fraud. The penalties could be imposed only after a hearing, and would be in addition to desist orders.

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ALLEN  
MARSANO

COMMITTEE REPORT  
OTP-AM

AMENDMENTS ADOPTED  
S-163

SUMMARY

The bill amends the statute relating to continuing care retirement communities (CCRC's) by establishing explicit reserve standards, requiring additional information in applications for preliminary certificates of authority, requiring additional safeguards before a final certificate of authority is granted, establishing guidelines for escrow agreements, and permitting the use or release of a portion of the escrowed entrance fees for the purchase or construction of a facility earlier than permitted under current law.

Under current law, deposits collected from prospective subscribers by providers of a CCRC before the CCRC is "operational" must be held in escrow until the facility is operational. A facility is operational when it has obtained a final certificate of authority, and 60 percent of the units are occupied. The bill changes the definition of an operational CCRC, by increasing the number of units which must be occupied to 70 percent, and requiring that all relevant health, safety and building codes, rules and regulations be satisfied. The bill also permits a pledge of 25% of the escrowed fees as security for construction or purchase of a facility before the CCRC is operational, if certain conditions set forth in the bill are met.

The committee amendment (S-163) decreases the percent of units that must be occupied before a CCRC is operational from 70 percent to 65 percent, reduces the reserve standards for operating costs, and sunsets the bill five years from its effective date.

SPONSOR(S)  
COLLINS  
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COMMITTEE REPORT  
OTP-AM

AMENDMENTS ADOPTED  
S-264

SUMMARY

The bill amends the statute setting forth the type of information required in a workers' compensation rate filing, and changes the data reporting requirements for workers' compensation insurers and medical providers. For purposes of committee work, the bill was split in two: the rate filing portion remained in LD 188; the data reporting sections were considered along with LD 1040.