

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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Sen. Beverly Miner Bustin
Sen. Donald F. Collins

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* 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
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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
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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.

The bill repeals the current list of information to be filed in workers' compensation rate filing and sets forth a new list including data on premiums, losses, and information regarding trends, expense loading, and law change evaluations. The bill also requires filings relating to both the voluntary and residual markets to explain the rate differential between the voluntary market, safety pool and accident prevention accounts, and specifies the years for which certain data must be filed.

The committee amendment (S-264) clarifies the section requiring information on investment income, and strikes the sections of the bill relating to data collection. See LD 1040 for data collection amendments.

LD 191 An Act to Require Dependency Information in Credit Card Applications by Students

LV/WD

SPONSOR(S)

COMMITTEE REPORT

AMENDMENTS ADOPTED

DORE
HOGLUND
THERIAULT
BREWER

LV/WD

SUMMARY

This bill would prohibit issuance of any credit card to a dependent student unless the person on whom the student is dependent co-signs the application. Any card issued in violation of this requirement is void.

LD 254 An Act to Amend the Revised Maine Securities Act and Related Statutes

PUBLIC 542

SPONSOR(S)

COMMITTEE REPORT

AMENDMENTS ADOPTED

CURRAN
BRANNIGAN
RYDELL
FOSS

OTP-AM

H-275 TAMMARO

SUMMARY

This bill would transfer responsibility for administration and enforcement of the Revised Maine Securities Act, the Maine Commodity Code, and the law regulating the sale of business opportunities from the Superintendent of Banking to the Securities Administrator.

The bill increases the initial licensing fee for sales representatives from \$25 to \$30, and the annual renewal fees for broker-dealers from \$75 to \$100 and for sales representatives from \$15 to \$30. Initial fees would remain at \$100 for broker-dealers, \$50 for branch offices, and \$50 for investment advisers. Renewal fees remain at \$30 for branch offices and \$35 for investment advisers.

The bill also clarifies that, in the event of violation of the securities laws, the Attorney General may bring action for restitution to investors wishing restitution in addition to the other forms of relief provided by law.

The Administrator is authorized to appoint hearing officers.

Finally, the bill grants the Superintendent of Banking the power to conduct hearings and issue final orders in place of the Securities Administrator if the Administrator is unable to do so due to conflict between investigative and judicial roles.

HA (H-237) The amendment adds a Fiscal Note that the increased fees will increase undedicated General Fund revenue by about \$292,000 per year. It also adds an appropriation to the Securities Division of the Bureau of Banking.

HB (H-275) is technical.

LD 275 An Act to Strengthen the Regulation of Insurance

PUBLIC 269

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
COLLINS	OTP-AM	S-140
BERUBE		S-156 THERIAULT
ALLEN		
WEBSTER M		

SUMMARY

The bill gives the Bureau of Insurance additional enforcement and penalty powers, similar to the Real Estate Commission, Bureau of Consumer Credit Protection, Securities Division, and Licensing Boards and Commissions within the Department of Professional and Financial Regulation.

CA (S-140) The amendment maintains the basic structure of the bill, conforming various procedures at the Bureau to the Administrative Procedure Act. The amendment modifies the new civil penalty procedure by authorizing the superintendent to assess a civil penalty of \$500 (\$2,000 for a corporation), but only if the Attorney General elects not to proceed with the case. And, under the amendment, the Superior Court may assess a civil penalty of \$500 to \$5,000 (\$2,000 to \$15,000 for a corporation), but only the Attorney General may bring that action. The amendment maintains the authority of the superintendent to order refunds of overcharges.

The amendment limits to an additional 30 days the possible extension of time from the close of a hearing to the superintendent's order under Title 24, and adds a new section extending that concept to Title 24-A.

The amendment also makes the rule-making authority more specific, makes several technical changes and adds a fiscal note.

SA (S-156) is technical.

LD 285 An Act to Improve Regulatory Oversight of Health Maintenance Organizations

PUBLIC 345

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
WEBSTER M	OTP-AM	H-259
GARLAND		S-197 BUSTIN
STEVENS P		
GILL		

SUMMARY

The bill phases in minimum surplus requirements for health maintenance organizations, requiring that an organization have \$150,000 minimum surplus in December 31, 1990 up to \$250,000 for December 31, 1992 and thereafter. The bill also makes HMOs subject to the unfair trade practices chapter of Title 24-A. Those provisions include general prohibitions of unfair and deceptive business practices, false advertising, discrimination against the handicapped and unfair claims settlement practices.