

# 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**

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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.

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
GILL	OTP-AM	H-161    RYDELL
RYDELL		S-66
ALLEN		
DONALD		

SUMMARY

The bill makes it an unfair trade practice to unfairly discriminate in insurance against persons with Acquired Immune Deficiency Syndrome (AIDS) or who have tested positive for the human immunodeficiency virus (HIV) or antigen. The bill also prohibits life insurance policies from having more restrictive coverage or exclusion of coverage for death resulting from AIDS, and prohibits health insurance policies from providing more restrictive coverage for treatment of AIDS or related services than for any other sickness, unless the policy is one which only covers specific diseases or accidental injury.

The committee amendment (S-66) expands the protection of the bill to include AIDS Related Complex (ARC) and HIV-related diseases, and clarifies that an exclusion of all diseases or sicknesses in a health insurance policy may apply to AIDS as long as all diseases are treated the same. In a life insurance policy, a disease-specific exclusion is permitted for death caused by AIDS, ARC or HIV-Related diseases which existed 6 months before the effective date of the coverage of the individual if an actuarial justification is filed and approved by the superintendent.

The House Amendment (H-161) makes a technical change.

**LD 473**      An Act to Amend the Law Concerning the Maine High-Risk  
Insurance Organization

PUBLIC 308

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
GOULD R A	OTP-AM	H-306

SUMMARY

The bill deletes the cap on the number of persons who may be enrolled at any one time in the High Risk Insurance Organization, which provides health insurance for persons who cannot obtain insurance in the market for medical reasons. Current statute limits the number of enrollees to 300.

The committee amendment (H-306) retains the 300-person limit in statute, but makes technical changes to the statute governing the Organization. The amendment adds a definition of "resident," clarifies the tax status of the Organization by declaring that it is an instrumentality of the state, changes the reporting date from a calendar year to a fiscal year, and tightens eligibility requirements. Under the amendment, an applicant is required to prove that an insurer has refused to offer the applicant coverage similar to that provided by the Organization, or refused to issue that coverage except for a rate exceeding the organization rate, or refused to issue similar insurance without a reduction or exclusion of coverage for a specific preexisting health condition for a period exceeding 90 days. The board of directors of the Organization may adopt a list of medical conditions for which a person need not provide evidence of refusals.