

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)GWADOSKY
PARENT
MATTHEWS
BURKECOMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-457

SUMMARY

The bill clarifies the type of insurance school boards can provide for their employees, authorizes direct reimbursement programs and specifically authorizes school boards to provide any other benefits which are agreed to by the employees and the board. The bill also clarifies the authority of school boards to participate in group self-insurance for workers compensation, pursuant to the Workers Compensation Act. Finally, the bill requires unexpended funds from self-insurance or reimbursement programs to be carried over to the next year to be used for the purpose for which they were set aside.

The committee amendment (H-457) limits the type of direct reimbursement program that may be offered by school boards by providing that only dental reimbursement plans may be offered. The amendment also establishes guidelines within which the dental reimbursement plan must operate.

LD 529 An Act to Regulate Health Insurance Rates

LV/WD

SPONSOR(S)

ROLDE

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTEDSUMMARY

Under current law, the Bureau of Insurance is authorized to regulate rates charged for individual health insurance policies and contracts and is authorized to collect information on group rates. The bill requires the Maine Health Care Finance Commission to review and approve or disapprove individual and group health insurance rates, and continues the existence of the Commission for this purpose. The bill requires insurers to file proposed rates and other information with the commission and prohibits insurers from charging rates which have not been approved by the commission. The bill also repeals the authority of the Bureau of Insurance to approve or disapprove health insurance rates.

LD 554 An Act to Clarify Use of Corporate-owned Life Insurance PoliciesPUBLIC 353
EMERGENCYSPONSOR(S)RYDELL
KETOVER
CURRAN
HOBBINSCOMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-356

SUMMARY

In the Maine Insurance Code, "insurable interest" could be interpreted to prohibit corporations from purchasing corporate-owned life insurance (COLI) policies. This amendment provides that a corporation has an insurable interest in the lives of its employees for the purpose of purchasing COLI policies.

CA (H-356) This amendment permits corporations to obtain life insurance on its former employees and retirees, as well as on current employees for the purpose of funding benefits, but makes it clear that the proceeds of that insurance must be used for the sole purpose of funding these benefits.