

# 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  
ALLEN  
MANNING  
COLLINSCOMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-643

SUMMARY

The bill amends the Preferred Provider Arrangement Acts, which permit insurers to enter into contracts with providers of health care services, under which the provider would presumably charge a lower rate for the service in return for the insurer's providing incentive to insureds to obtain services from that provider. Current law permits the insurer to pay 20% less for service rendered to an insured by a nonpreferred provider than it pays for the service by a preferred provider.

The bill also allows insurers to refuse to provide payment for services rendered to their insureds by nonpreferred providers. The bill also allows them to refuse to recognize assignment of payments to nonpreferred providers.

Changes to the preferred provider arrangement acts are included in LD 1322. The contents of the original LD 758 were stricken and LD 758 was used as a vehicle bill for four health-related bills considered by the committee: LD 643 (mandated benefits); LD 984 (long-term care insurance); LD 998 (medical utilization review entities); and LD 1294 (information for nonpolicyholder parents of minors). Please see the descriptions under each of those bills for an explanation of the contents of LD 758.

LD 794 An Act to Amend the Insurance Law Relating to the Type of  
Coverage Provided by Insurance Carriers

LV/WD

SPONSOR(S)PRAY  
THERIAULT  
RYDELL  
MARTIN JCOMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTEDSUMMARY

The bill requires an insurance company to provide workers' compensation insurance in Maine if the company provides workers compensation in any other state or country. An insurer would not be authorized to transact any other insurance business in the state if it did not comply with this requirement. The bill also requires an insurer to give 18 months' notice to the superintendent of insurance before withdrawing from the workers' compensation market in the state.

**LD 844** An Act Concerning Automobile Insurance (BY REQUEST)

LV/WD

SPONSOR(S)HEESCHEN  
JOSEPH  
HANDYCOMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTEDSUMMARY

This bill requires persons registering or reregistering automobiles to present proof of insurance before they may successfully register or reregister their automobile.