

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.

Insurance, but at least annually. Data requirements are limited for the period from January 1, 1987 to January 1, 1989 to major claims and a sample of the others. The superintendent is authorized to reduce the frequency of profitability reports by insurers from quarterly to annually.

Sec 8 authorizes the superintendent to prescribe forms for medical and health care expense data. Medical providers must complete the forms before being paid for services under workers' compensation, but the claimant is not liable for the cost if the provider is not paid. That will be stated on the forms. Sec 8 provides that disputes over the use of health-care forms may be resolved informally: the insurer or self-insurer would not have to file a notice of controversy. However, any interested party may petition the Workers' Compensation Commission to resolve the dispute.

**LD 1043 An Act to Clarify the Application of Insurance Holding
Company Laws to Holding Companies of Domestic Insurers**

PUBLIC 385

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
THERIAULT	OTP-AM	S-223
RAND		
CURRAN		
CLARK N		

SUMMARY

The bill amends section 222 of the Maine Insurance Code, which requires approval of the Superintendent of Insurance of acquisitions of control of domestic insurance companies. The bill adds language specifically including acquisitions of holding companies of domestic insurers in the regulation provided by section 222. The bill also defines the concept of control, requires that insurers be given notice of the filing of a tender offer with the superintendent of insurance, and provides a private cause of action for an insurer if a person fails to comply with the filing and approval requirements of the law.

The committee amendment (S-223) requires the superintendent to hold a hearing on each proposed purchase rather than permitting the waiver of a hearing in certain instances, deletes the provision granting a private cause of action, permits the superintendent to exempt tender offers or acquisitions from the approval process in certain circumstances, adds a fiscal note and makes other minor changes to the bill.

**LD 1069 An Act Relating to Motor Vehicle Insurance Surcharges Due to
License Suspension**

PUBLIC 366

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
MARTIN J	OTP-AM	H-377

SUMMARY

This bill prevents insurance companies from surcharging motor vehicle insurance policies for administrative suspensions under the 0.02% blood-alcohol standard for minors. Some surcharges are the same as for adult (0.08%) OUI.

CA (H-377) This amendment limits the rate surcharge to 10% for blood alcohol of at least .02 but less than .05 ppm and to 20% for blood alcohol of at least .05 but less than .08 ppm. For blood alcohol levels of .08 or more the full OUI surcharge would still apply. It also requires that any report to an insurance company of license suspension must clearly distinguish between the general OUI conditions and the OUI conditions for minors.