

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

**STATE OF MAINE  
114TH LEGISLATURE  
FIRST REGULAR SESSION**



**BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**JULY 1989**

**MEMBERS**

Sen. Raynold Theriault \*  
Sen. Beverly Miner Bustin  
Sen. Donald F. Collins

Rep. Charlene B. Rydell \*  
Rep. Phyllis R. Erwin  
Rep. Richard H. C. Tracy  
Rep. Carol M. Allen  
Rep. Harriet A. Ketover  
Rep. Ruth Joseph  
Rep. Anne M. Rand  
Rep. Philip E Curran  
Rep. Joseph A. Garland  
Rep. Harvey C. Donald

\* 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  
WILLIAM T. GLIDDEN, PRINCIPAL ANALYST  
ULIE S. JONES, PRINCIPAL ANALYST  
DAVID C. ELLIOTT, PRINCIPAL ANALYST  
WILBERT W. BREWER  
RODD R. BURROWES  
MIRO FLATEBO  
JEBORAH C. FRIEDMAN  
JOHN B. KNOX



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  
EDWARD POTTER  
MARGARET J. REINSCH  
LARS H. RYDELL  
JOHN R. SELSER  
HAVEN WHITESIDE  
CAROLYN J. CHICK, RES. ASST  
ROBERT W. DUNN, RES. ASST  
HARTLEY PALLESCHI, JR., RES. ASST

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)

CONLEY  
HOBBINS  
MARSANO  
COLLINS

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

This bill is essentially the same as LD 1190. The bill changes the effective time of the standard fire policy from noon to 12:01 a.m., and defines "actual cash value" as replacement cost of the property minus depreciation.

**LD 1276 An Act to Allow Organizations to Sell Insurance to a Limited Membership**

LV/WD

SPONSOR(S)

BALDACCI  
STEVENS P

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill amends the chapter of insurance law relating to mass marketed property and casualty plans. The bill permits underwriting of mass marketed plans, provided the insurer has filed its underwriting rules with the Bureau of Insurance and the insurer accepts all applicants who meet the underwriting standards.

The purpose of this bill is achieved by LD 14.

**LD 1294 An Act to Require Health Insurance Carriers to Inform Parents of Benefit and Other Information**

LV/WD

SPONSOR(S)

KILKELLY  
ALLEN  
RANDALL  
CURRAN

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill requires insurers to provide health insurance claims and policy information to the parent of a minor child, when the parent is not paying the premium on the insurance. This situation would arise, for example, when the parents are divorced and one parent is required by a court order to pay the premiums for insurance of a minor who is in the custody of the other parent. Under the bill, the custodial parent could request that the insurer provide notice of the payment or denial of claims relating to the minor, notice of proposed changes in the terms and conditions of the policy, and notice that the policy may lapse. The bill would also permit the custodial parent to file claims under the policy.

The contents of LD 1294, as amended by the committee, are included in LD 758. The committee amendment requires insurers to provide explanations of claims payments and denials and changes in the terms and conditions of policies when asked by the nonpolicyholder parent, and to provide advance notice that a policy may lapse. The amendment also permits the nonpolicyholder parent to file a claim for benefits if the parent includes information necessary for the insurer to process the claim.