

# MAINE STATE LEGISLATURE

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



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

**JUNE 1990**

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Sen. Beverly Miner Bustin  
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**One Hundred and Fourteenth Legislature  
Second Regular Session**

**Joint Standing Committee  
Bill Summaries**

**June 1990**

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. Committee Reports and Floor Action are abbreviated as follows:

OTP  
OTP-ND  
OTP-ND-NT  
OTP-A  
ONTP  
LVWD  
INDEF PP

Ought to Pass  
Ought to Pass in New Draft  
Ought to Pass in New Draft, New Title  
Ought to Pass as Amended  
Ought Not to Pass  
Leave to Withdraw  
Indefinitely Postponed

Each individual summary was prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond, 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.

creating a subsidiary savings bank or savings and loan association wholly owned by the mutual holding company. The bill would have allowed a minority interest in the subsidiary savings institution to be owned by a person other than the mutual holding company.

**LD 1939**

**An Act to Amend the Guaranty Association Law to Provide a More Equitable Special Assessment**

**PUBLIC 641  
EMERGENCY**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
RYDELL THERIAULT COLLINS DONALD	OTP	

**SUMMARY**

This bill amends the circuit breaker provision of the law governing assessments by the Maine Insurance Guaranty Association. The circuit breaker provision limits the special assessment imposed on certain insurers to 5% of net income. Under current law, insurers with high premium-to-surplus ratios or small net income qualify for the circuit breaker. This bill extends that circuit breaker to member insurers who have a very small policyholder base, fewer than 3000 policyholders.

**LD 1977**

**An Act to Extend and Amend the Authorization for the Maine High-Risk Insurance Organization**

**INDEF PP**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
RYDELL MARTIN J DONALD KANY	OTP-AM	H-980

**SUMMARY**

The Maine High-Risk Insurance Organization was established in 1987 to provide health insurance for persons unable to obtain health insurance for medical reasons. A general fund appropriation was provided to subsidize premiums for low income enrollees.

With the Committee Amendment (H-980), the bill delays the sunset of the program from June 30, 1991 to June 30, 1992, and increases the number of persons who may participate in the program from 300 to 600. The amendment deleted provisions which would have: removed a requirement for co-insurance and deductibles; removed limits on premium subsidy; and increased flexibility in calculating premiums. The amendment also appropriates \$6250 for the rest of FY 90 and \$25,000 for FY 91 to cover the low-income premium subsidy for the additional persons.

The bill was indefinitely postponed from the appropriations table but was included as Part H of the Supplemental Appropriations Bill, LD 2503, PL 875, with the appropriation reduced to \$6,000 (FY90) and \$19,000 (FY 91).