

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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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**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
RYDELL	OTP	
THERIAULT		
COLLINS		
DONALD		

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

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

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).