

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.

LD 1979 **An Act Concerning Discontinuance and Replacement of Group
Accident and Health Insurance**

LV/WD

SPONSOR(S)
GWADOSKY
MARSANO
THERIAULT
BRANNIGAN

COMMITTEE REPORT
LV/WD

AMENDMENTS ADOPTED

SUMMARY

LD 1979 would have amended the nonprofit and commercial group health insurance laws to protect employees and other persons covered by group policies and contracts against loss of coverage when the group changes carriers. The bill requires insurers and nonprofits to cover all people who were covered under the replaced contract or policy within 60 days of the discontinuance of the policy. The minimum level of benefits to be provided by the carrier of the replacement contract for those people would be the level of benefits under the replaced contract or policy, reduced by any benefits payable by the prior carrier. The bill specifies the responsibilities of the prior and succeeding carriers.

LD 1979 was one of three bills relating to continuity of health insurance coverage. See LD 2250 (LV/WD) and LD 2274 (ENACTED).

LD 2038 **An Act to Provide for Expedited Merger, Consolidation or
Acquisition of Credit Unions**

**PUBLIC 646
EMERGENCY**

SPONSOR(S)
CURRAN
THERIAULT
PARADIS P
GILL

COMMITTEE REPORT
OTP

AMENDMENTS ADOPTED

SUMMARY

This bill provides for emergency merger, consolidation or acquisition authority for credit unions comparable to that provided for other state-chartered financial institutions. It is also consistent with the authority provided in federal law to the National Credit Union Administration.

LD 2047 **An Act to Promote Consumer Choice in Automobile Insurance**

LV/WD

SPONSOR(S)
THERIAULT
COLLINS
KETOVER
GARLAND

COMMITTEE REPORT
LV/WD

AMENDMENTS ADOPTED

SUMMARY

This bill would have offered optional personal protection insurance as an alternative to traditional fault-based automobile insurance. Personal protection insurance is a limited-lawsuit no-fault insurance covering both personal injury and property damage.

Persons who choose personal protection insurance could not sue or be sued as a result of the operation of a motor vehicle within this State, except under limited circumstances. In no case could an award in a case involving them include noneconomic damages, such as pain and suffering.

If the person covered by personal protection insurance was at fault in an accident involving a person