

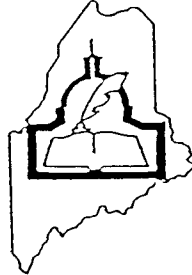
MAINE STATE LEGISLATURE

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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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**Office of Policy and Legal Analysis
Room 101, State House Station 13
Augusta, ME 04333
(207) 289-1670**

*Denotes Chair

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STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107/135
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

PATRICK NORTON
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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	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 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)	COMMITTEE REPORT	AMENDMENTS ADOPTED
GWADOSKY MARSANO THERIAULT BRANNIGAN	LV/WD	

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)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CURRAN THERIAULT PARADIS P GILL	OTP	

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)	COMMITTEE REPORT	AMENDMENTS ADOPTED
THERIAULT COLLINS KETOVER GARLAND	LV/WD	

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

with traditional liability insurance, the person covered by traditional liability insurance would collect under the uninsured motorist provision of their own policy. (Policies must contain uninsured motorist coverage under present law.) Premiums for personal protection insurance could not exceed 80% of those for traditional liability insurance policies.

The bill was withdrawn in favor of study by the Committee as part of the sunset review of auto insurance (see LD 2178).

**LD 2050 An Act Authorizing Further Assessments for Public Advocate
Participation in Workers' Compensation Insurance Rate
Proceedings** **PUBLIC 673
EMERGENCY**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
COLLINS	OTP-AM	S-498
RYDELL		S-511 THERIAULT
GARLAND		
THERIAULT		

SUMMARY

The bill amends the provision of law requiring insurers and rating organizations to pay a filing fee when they make workers' compensation rate filings. The fee is used to hire consultants and pay other expenses of the Public Advocates' office, for participation in the rate filings. The bill provides for an additional \$15,000 filing fee, to be used to pay for Public Advocate staff time spent in participating in the filing. The bill also permits the Public Advocate to participate in the "fresh start" determinations and requires insurers participating in the determination to pay a fee to cover the Public Advocate's expenses.

The Committee Amendment (S-498) adds a fiscal note and allocation section, and increases from \$7,500 to \$10,000 the amount of the fee required when a "fresh start" determination is made at the same time as a rate filing. The amendment also delays the effective date of the provision requiring a \$15,000 filing fee for rate filings. The delay was intended to avoid a conflict with a bill being considered by the Appropriations Committee to change the method of funding the Advocates' office. The Appropriations Committee bill LD 2503, section E-43, repeals and replaces the statute requiring the \$15,000 filing fee as enacted in LD 2050. LD 2503 requires payment of the filing fee, but requires the superintendent to transfer the funds to the Treasurer of State as undedicated revenue to the General Fund.

The Senate Amendment (S-511) corrects the allocation and fiscal note.

**LD 2069 An Act to Allow the Maine State Employees Health Insurance
Program to Self-insure Health or Dental Insurance** **PUBLIC 776**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
BUSTIN	OTP-AM	S-578
GILL		
MARTIN J		
HIGGINS		

SUMMARY

The bill permits the State Employee Health Insurance Program to partially or fully self-insure the state employee health plan, and establishes a non-lapsing fund to be administered by the director of the program, to indemnify the state for losses and expenses in operating the program.

The Committee Amendment (S-578) adds reserve requirements for any self-funded health or dental plans administered by the State Employee Health Commission; permits the commission to contract with a