

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	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.

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The bill was withdrawn in favor of study by the Committee as part of the sunset review of auto insurance (see LD 2178).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 ADOPTEI)
	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 PUBLIC 776 Program to Self-insure Health or Dental Insurance

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

Office of Policy and Legal Analysis Banking and Insurance 3rd-party administrator only if the administrator is subject to a bonding requirement and has experience administering a plan as large as the state plan; and requires the self-funded plan to include the same mandated benefits that would be required for an insured plan.

LD 2073 An Act to Authorize a General Fund Bond Issue in the Amount LV/WD of \$10,000,000 to Provide Initial Capitalization of a Public Mutual Insurance Company to Provide Workers' Compensation Insurance to Employers in this State (Reported Pursuant to a Study Authorized by the Legislative Council)

SPONSOR(S) COMMITTEE REPORT AMENDMENTS ADOPTED

SUMMARY

This bill proposed a \$10,000,000 bond issue for the initial capitalization and administrative expenses of a Maine State Insurance Fund, proposed in LD 2203. The bill is part of the legislation submitted as a result of a study on the feasibility of creating a state workers' compensation insurance fund, conducted by a subcommittee of the Joint Standing Committee on Banking and Insurance. The funds would have to be repaid to the State by the proposed Maine State Insurance Fund as provided in LD 2203.

LD 2089	An Act to Expand and Extend the Maine Managed Care Insurance	PUBLIC 905
	Plan Demonstration Project	EMERGENCY

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
RYDELL	OTP-AM	H-823
MANNING		S–724 PEARSON
COLLINS		
BRANNIGAN	ð	

SUMMARY

The bill authorizes a third Maine Managed Care Insurance Plan Demonstration Project site and continues two existing sites until December 31, 1992.

The Committee Amendment (H-823) adds a fiscal note.

The Senate Amendment (S-724) strikes the fiscal note and provides that development of the third site is contingent on the Department of Human Services receiving funds from a source other than the General Fund. The provision for continuation of the existing sites was also striken from the bill. There is no explicit statutory language that would repeal authorization for those sites, so it was not necessary to change the statute to provide for continuation.

LD 2096	An Act to Amend the Definition of Actual Cash Value for	LV/WD
	Insurance Purposes	

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
PEARSON	LV/WD	
CAHILL M		

SUMMARY

LD 2096 would have amended the statutory definition of "actual cash value," which determines the minimum amount of reimbursement that may be provided for property lost in a fire, under the standard fire insurance policy. Current law, as amended in 1989, defines actual cash value as the replacement cost of