

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 2389 An Act to Strengthen Oversight of Medical Malpractice
Insurance and Stabilize Premiums**

PUBLIC 843

SPONSOR(S)

RYDELL
PARADIS P
MARSANO
GAUVREAU

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-1060

SUMMARY

The bill would implement some of the recommendations of the Public Health Resource Group's Study of medical malpractice liability. The bill is aimed at providing stronger regulatory oversight of those companies providing more than 10% of the medical malpractice insurance in Maine. The bill would reject the "file and use" rating system and institute a mandatory hearing process for rate filings in medical malpractice. The Superintendent would be required to develop an investment income model, the projections of which must be substantially met by the insurance company before a filing may be approved. Finally, the Superintendent would be directed to develop and conduct a study of closed medical malpractice claims so that a sufficient data base of information will be available for future review of insurance costs and investment and reserving practices.

The Committee Amendment (H-1060) replaces the original bill. The amendment establishes the right of parties interested in physicians and surgeons liability insurance rate filings to receive notice, to request a hearing on the filing, and to participate in the hearing. The amendment also clarifies the right of interested parties to receive rate filing information, subject to confidentiality restrictions. Categories of information that must be included in a filing are also set forth. The amendment provides an allocation for the Bureau of Insurance to contract with a consultant to review medical malpractice rate filings in Maine to attempt to find information to start a data base for a study of closed medical malpractice claims in Maine. The consultant's work would be performed in conjunction with the bureau's review of a Minnesota closed claims study and recommendations to the Legislature on additional efforts needed to complete a valid closed claims study in Maine.

**LD 2503 An Act to Make Supplemental Appropriations and Allocations
for the Expenditures of State Government and to Change
Certain Provisions of the Law Necessary to the Proper
Operations of State Government for the Fiscal Years Ending
June 30, 1990 and June 30, 1991 (Reported Pursuant to Joint
Order, HP1772)**

**PUBLIC 875
EMERGENCY**

SPONSOR(S)

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

LD 2503 is the supplemental budget bill, considered and amended by the Appropriations Committee.

Part H of the bill includes the provisions of LD 1977 on the Maine High Risk Insurance Organization and replaces that LD. (See LD 1977)

Part I includes the provisions of LD 2297, mandated mammography benefits, as amended by the Banking and Insurance Committee (See LD 2297).