

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
115TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**AUGUST 1991**

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*Jane Orbeton, Legislative Analyst*

*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

**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION  
JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1991**

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 volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<b>PUBLIC XXX</b>	<i>Chapter # of enacted Public Law</i>
<b>P&amp;S XXX</b>	<i>Chapter # of enacted Private &amp; Special Law</i>
<b>RESOLVE XXX</b>	<i>Chapter # of enacted Resolve</i>
<b>CON RES XXX</b>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<b>EMERGENCY</b>	<i>Enacted law takes effect sooner than 90 days</i>
<b>CARRIED OVER</b>	<i>Bill carried over to 2nd Session</i>
<b>FAILED EMERGENCY ENACTMENT</b>	<i>Bill failed to get 2/3 vote</i>
<b>ONTP</b>	<i>Ought Not to Pass report accepted</i>
<b>LVWD</b>	<i>Leave to Withdraw report accepted</i>
<b>INDEF PP</b>	<i>Bill Indefinitely Postponed</i>
<b>DIED BETWEEN BODIES</b>	<i>House &amp; Senate disagree; bill died</i>
<b>VETO SUSTAINED</b>	<i>Legislature failed to override Governor's Veto</i>
<b>UNSIGNED</b>	<i>Not signed by Governor within 10 days</i>
<b>DIED ON ADJOURNMENT</b>	<i>Action incomplete when 1st session ended</i>

These summaries were 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.

If you have any suggestions or comments on these summaries, please let us know.

and is ambiguous regarding disclosure of bureau records pertaining to disciplinary actions. Laws regarding disclosure of actuarial information submitted with rate filings differ from line to line in haphazard ways. In addition, there is no confidentiality provision to protect financial information received by the bureau from companies during the licensing procedure.

This bill clarifies existing law regarding the confidentiality of investigatory files, bringing the bureau's laws in line with the provisions regarding investigative records of the Department of Professional and Financial Regulation as codified in Title 10, section 8003-B, except to the extent concerns unique to insurance warrant different standards. At the same time the bill provides a comprehensive, consistent and rational confidentiality law which allows for dissemination of valid complaint information regarding companies in the form of complaint ratios to the public and which clarifies provisions in the law pertaining to the confidential nature of actuarial or financial information received by the bureau with filings.

**LD 321 An Act Regarding Health Insurance**

**PUBLIC 333**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
PFEIFFER DORE KETOVER LARRIVEE	OTP-AM	H-354

**SUMMARY**

This bill requires that all individual health insurance policies, with the exception of policies for hospital indemnity or accidental injury, and all group health insurance policies provide coverage for reconstructive breast surgery for women who have had mastectomies.

Committee Amendment "B" (H-354) replaces the original bill. The amendment defines "medically necessary mastectomy surgery" and includes reconstructive surgery when elected by the patient. Current law requires legislative committees to refer all proposed mandated health benefits to the Mandated Benefits Advisory Commission for study and report back to the Governor and the Legislature. This amendment clarifies the duty of the legislative committee to hold a public hearing and determine whether there is support for a proposal and exempts from referral proposals that fail to receive a vote of support from any committee member. The amendment requires that the report from the Mandated Benefits Advisory Commission be made to the Joint Standing Committee on Banking and Insurance.

**LD 339 An Act to Establish the State of Maine Credit Card**

**DIED BETWEEN BODIES**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
HOGLUND DORE WENTWORTH RAND	OTP-AM ONTP	MAJ MIN

**SUMMARY**

This bill, modeled on legislation enacted in Montana in 1989, authorizes establishment of a state-sponsored credit card program for the purpose of raising state revenues.

Committee Amendment "A" (H-197) requires the Commissioner of Finance to issue a request for proposals for the state environmental credit card within 180 days of the effective date of the legislation. It restricts the list of institutions that will be eligible to bid on the credit card program to financial institutions and credit unions organized under Maine law. This will restrict the credit card terms to

Maine law a maximum \$12 annual fee and 18% per annum interest. This amendment dedicates all income from the environmental credit card to the Natural Resources Protection Fund, a nonlapsing fund used to protect or acquire critical wildlife habitats, acquire public lands, protect threatened or endangered species, restore and protect lakes, wetlands and the marine environment and provide public education and information about the environment. A fund management committee administers the fund and may accept gifts, grants, bequests, appropriations and allocations. An advisory committee reviews the activities of the fund and makes recommendations to the fund management committee. An allocation is provided to allow the fund to spend money in the first 2 years. This money comes from income to the fund from the credit card program and does not require or utilize any appropriation. The amendment adds a fiscal note which shows that the credit card program will not require an appropriation. All costs will be paid from the fund income itself. The allocation is to allow fund money to be spent.

**LD 346      An Act to Amend Qualifying Standards Applicable to  
Reinsurance Transactions**

**PUBLIC 38**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
HASTINGS RAND BRAWN THERIAULT	OTP-AM	H-39

**SUMMARY**

A newly instituted plan for expanded reinsurance markets has been made viable by the establishment of very significant deposit standards for trustee assets to be located in the United States by London reinsurers offering such markets. This bill addresses issues of safety and soundness by establishing requirements designed to reasonably ensure performance upon policy obligations undertaken by such business ventures.

Committee Amendment "A" (H-39) corrects wording in the bill.

**LD 348      An Act to Amend Certain Provisions of the Laws Relating to  
Health Insurance**

**PUBLIC 48**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
DUFFY RUHLIN TITCOMB MITCHELL E	OTP-AM	H-47

**SUMMARY**

The purpose of this bill is to protect consumers in this State who purchase health care coverage for services or benefits from nonprofit hospital or medical service organizations from sudden, extremely large rate increases and to protect consumers' ability to purchase Medicare supplemental coverage.

The bill ensures that rates charged by nonprofit hospital or medical service organizations, already subject to approval by the Superintendent of Insurance, contain no more than a specific percentage amount for the purpose of replenishing corporate reserves.

The bill removes the tax exemption status from those portions of nonprofit hospital or medical service organization businesses that are not "community-rated," that is, set without reference to age, sex or other characteristics of the subscribers. In addition, to the extent that the superintendent is approving rates for those portions of the nonprofit hospital or medical service organization businesses that are tax exempt, those rates may not include any charge for the taxes paid on the organizations'