

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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**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:

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

LD 762 An Act Concerning Rental Vehicle Insurance

ONTP

| | | |
|-------------------|-------------------------|---------------------------|
| SPONSOR(S) | COMMITTEE REPORT | AMENDMENTS ADOPTED |
| TRACY | ONTP | |
| BUSTIN | | |
| CONSTANTINE | | |
| GARLAND | | |

SUMMARY

This bill provides that motor vehicle rental insurance not exclude from coverage any coverage provided under a motor vehicle insurance policy approved by the Superintendent of Insurance. It provides that an insured must be informed that the insured may have adequate insurance coverage without purchasing a collision damage waiver. The bill defines an authorized driver of a rental vehicle. It also provides that the owner may not require the renter to assume responsibility for the owner's loss of use of the vehicle. Currently, renters are not made aware at the time of accepting or declining the collision damage waiver that they may be liable for loss of use, which is not usually covered under their own auto insurance policies.

LD 764 An Act to Clarify the Responsibilities of School Boards

ONTP-MAJ REP

| | | |
|-------------------|-------------------------|---------------------------|
| SPONSOR(S) | COMMITTEE REPORT | AMENDMENTS ADOPTED |
| MARSANO | ONTP MAJ | |
| GWADOSKY | OTP MIN | |
| RYDELL | | |
| GARLAND | | |

SUMMARY

This bill authorizes school boards, in their discretion, to provide group health, hospitalization and major medical benefits to their employees through direct reimbursement plans or programs by self-insuring such benefits. The bill provides guidelines for the establishment and operation of individual and group programs. School boards establishing programs would be required to set aside sufficient amounts to pay immediate claims before commencing operation of the programs. School boards also would be required to obtain excess insurance or reinsurance, that is, so-called "stop-loss coverage," to limit their exposure under such programs and to adopt guidelines establishing funding mechanisms for the programs before commencing operation of the programs. The legal entity establishing a program to serve a group of school administrative units would be required to adopt a plan of management providing for the financial operation of the program.

LD 771 An Act to Provide Coverage for Chiropractic Services under Health Maintenance Organization Plans

CARRIED OVER

| | | |
|-------------------|-------------------------|---------------------------|
| SPONSOR(S) | COMMITTEE REPORT | AMENDMENTS ADOPTED |
| PRAY | | |
| MARTIN J | | |
| WEBSTER | | |
| GARLAND | | |

SUMMARY

Chiropractic services through health maintenance organizations are currently available only after approval by the primary physician of the patient.

This bill enables health maintenance organization subscribers to choose chiropractic services without the need for referral by a medical doctor.

LD 783 An Act to Amend the Law Concerning the Maine High-Risk Insurance Organization

PUBLIC 578

| SPONSOR(S) | COMMITTEE REPORT | AMENDMENTS ADOPTED |
|-------------------|-------------------------|---------------------------|
| RAND | OTP-AM | H-316 |
| MITCHELL E | | S-310 PEARSON |
| KETOVER | | |
| CARLETON | | |

SUMMARY

This bill provides that members of the Board of Directors of the Maine High-Risk Insurance Organization serve until their successors are appointed, allows the board to use community rating to establish premium rates, establishes that the selection process for the administering insurer is a bidding process and extends the present administering insurer's contract until June 30, 1992.

Committee Amendment "B" (H-316) changes the report date for the Maine High-Risk Insurance Organization to April 1st each year. It extends the sunset date on the organization by one year, until June 30, 1993. It allows community rating and sets standards if community rating is used.

Senate Amendment (S-310) deletes the provision in Committee Amendment "B" that changed the due date for the Maine High-Risk Insurance Organization's annual report from February 1st to April 1st. The amendment also adds a nonlapsing clause for the appropriation provided to subsidize premiums under the program for low-income insureds and adds a fiscal note.

LD 795 An Act to Amend the Revised Maine Securities Act

PUBLIC 82

| SPONSOR(S) | COMMITTEE REPORT | AMENDMENTS ADOPTED |
|-------------------|-------------------------|---------------------------|
| COLLINS | OTP-AM | S-68 |
| THERIAULT | | |
| STEVENS P | | |
| HASTINGS | | |

SUMMARY

This bill accomplishes the following.

1. The bill extends the sales representative licensing exemption to a person who, acting on behalf of a company, sells securities issued by the company to one of its officers. It corrects what the Bureau of Banking, Securities Division believes was an inadvertent omission when the Revised Maine Securities Act was enacted in 1985.
2. The bill makes it unlawful for an investment adviser licensed in this State to render advice through employees who have not satisfied the applicable testing requirements.
3. The bill makes explicit the securities administrator's authority to require competency tests for persons giving investment advice, or performing other advisory functions, on behalf of a licensed investment adviser and clarifies that the license of an investment adviser may be suspended or revoked for employing persons who have not taken those tests.
4. The bill provides that, unless renewed, securities licenses expire at the end of the calendar year rather than remaining in effect until revoked or cancelled by the State. This change would