

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**STATE OF MAINE
115TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

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

AUGUST 1991

MEMBERS:

**Sen. Judy C. Kany
Sen. Raynold Theriault
Sen. Linda Curtis Brawn*

**Rep. Elizabeth H. Mitchell
Rep. Phyllis R. Erwin
Rep. Richard H. C. Tracy
Rep. Harriet A. Ketover
Rep. Ruth Joseph
Rep. Anne M. Rand
Rep. Edward L. Pineau
Rep. Joseph A. Garland
Rep. Peter Hastings
Rep. Joseph G. Carleton*

Staff:

Jane Orbeton, Legislative Analyst

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

**Denotes Chair*

MARTHA E. FREEMAN, DIRECTOR
WILLIAM T. GLIDDEN, JR., PRINCIPAL ANALYST
ULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
DON CLARK
DYAN M. DYTTER
BRO FLATEBO
DEBORAH C. FRIEDMAN
MICHAEL D. HIGGINS
KANE ORBETON



KAREN L. HRUBY
JILL IPPOLITI
JOHN B. KNOX
PATRICK NORTON
MARGARET J. REINSCH
PAUL J. SAUCIER
HAVEN WHITESIDE
MILA M. DWELLEY, RES. ASST.
ROY W. LENARDSON, RES. ASST.
BRET A. PRESTON, RES. ASST.

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:

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.

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

eliminate serious administrative problems caused by a conflict between state law and the practices of the Central Registration Depository, the nationwide computer system on which all states keep their licensing records.

5. The bill clarifies some confusing language with respect to the administrator's authority to create additional exemptions from the securities registration requirement. It is not intended to make any substantive changes in that authority.
6. The bill makes it explicit that in a civil action brought by the Attorney General under the Revised Maine Securities Act, a person in control of a brokerage firm could be liable for the wrongful acts of the firm unless the person proved that the person did not know, and could not reasonably have known, of those acts. This would prevent the owners of a firm from attempting to evade responsibility and possibly deprive investors of restitution by simply closing down the firm, a problem that has occurred in several penny stock enforcement cases. The same language already exists for actions brought under the Act by private parties.

Committee Amendment "A" (S-68) provides that if a defendant is ordered to pay restitution in an action brought by the State, nothing in the law is intended to limit the right that the defendant may have under common law to recover from other persons also liable for the unlawful conduct. The amendment also adds a fiscal note to the bill.

LD 813 An Act Concerning Insurance Cancellation Hearings LV/MD

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
THERIAULT JOSEPH MITCHELL E	LV/WD	

SUMMARY

There currently are no statutory or regulatory time limits within which the Superintendent of Insurance must render a decision in a cancellation hearing. This bill requires the superintendent to render a decision within 30 days of a hearing. If no decision is made within that time, the policy is deemed canceled.

LD 831 An Act to Promote Choice for Bank Customers LV/MD

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
HOLT KILKELLY RICHARDSON THERIAULT	LV/WD	

SUMMARY

This bill gives depositors the right to move their accounts without penalty to another branch of the same institution before their bank merges, consolidates, converts or is acquired. The bill requires the bank to give depositors 30 days' notice of this right.