

# 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:

<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.

self-funded employee benefit plans under the Employee Retirement Income Security Act of 1974, as amended. This bill codifies the current treatment of such insurance as a form of casualty insurance, which may appropriately be written by liability insurers. The bill also allows life and health carriers to write excess insurance for self-funded plans to the same extent that they are already authorized to reinsure insured plans. In either case, the insurance should be considered part of the ordinary class of business of the insurer and not subject to the special accounting procedures for general lines insurers under the Maine Revised Statutes, Title 24-A, section 1101. Finally, the bill establishes a distinction between excess and basic insurance so that the excess insurance designation can not be used as a vehicle for evading mandated health insurance benefits.

Committee Amendment "A" (H-355) sets standards for approval of excess insurance policies and codifies the current treatment of such insurance as a form of casualty insurance that may appropriately be written by liability insurers. Current law makes no express provision for excess insurance providing catastrophic coverage to self-funded employee benefit plans qualifying under the Employee Retirement Income Security Act of 1974, ERISA, Public Law 93-406, Sept. 2, 1974. The amendment also allows life and health insurance carriers to write excess insurance for self-funded plans to the same extent that they are already authorized to reinsure insured plans. The amendment further establishes a distinction between "excess" and "basic" insurance so that the "excess insurance" designation can not be used as a vehicle for evading mandated health insurance benefits. The amendment also makes clear that life or health insurers writing employee benefit excess insurance or other types of casualty insurance, such as congenital defect insurance, written under their life or health insurance authority, do not thereby become "all lines" insurers. Finally, the amendment corrects an error in the existing law that inadvertently made investments supporting the health insurance business of "multiple lines" insurers subject to the regulatory standards of the Maine Revised Statutes, Title 24-A, chapter 13-A. The amendment makes all investments of "multiple lines" insurers that do not write life insurance or annuity business subject to chapter 13; the only insurers required to maintain distinct life or health insurance and property insurance, casualty insurance portfolios will be the "all lines" insurers. The amendment clarifies that insurance companies may not be licensed to sell only annuities.

**LD 1180      An Act to Strengthen the Mandatory Motor Vehicle Insurance      LV/WD**  
**Laws**

<b>SPONSOR(S)</b> GWADOSKY MITCHELL E TRACY	<b>COMMITTEE REPORT</b> LV/WD	<b>AMENDMENTS ADOPTED</b>
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**SUMMARY**

This bill strengthens the State's mandatory liability insurance laws and authorizes the Secretary of State to conduct a study to determine what insurance program would best serve the State's motoring public. The bill also increases the amount of liability insurance a person must have before the person may register a motor vehicle.

**LD 1192      An Act Relating to Workers' Compensation Self-insurance      ONTP**

<b>SPONSOR(S)</b> RICH THERIAULT HASTINGS TAMMARO	<b>COMMITTEE REPORT</b> ONTP	<b>AMENDMENTS ADOPTED</b>
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**SUMMARY**

Employers who self-insure workers' compensation benefits and currently meet specific criteria may post a