

# 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.

orders against insurers engaged in unfair and deceptive practices. The emergency cease and desist order provision of the bill is amended to decrease the time within which a hearing must be held after the issuance of an emergency cease and desist order to 10 days. Reference to a show cause order has been removed from the prehearing procedure for insurers lacking a certificate of authority.

**LD 1253      An Act to Create a Logging Fund to Provide Safety and Reasonably Priced Guaranteed Insurance for the State's Logging Industry**

**LV/WD**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
CONLEY		
GOULD R A		
POWERS		
PARADIS J		

**SUMMARY**

This bill establishes a workers' compensation Logging Industry Fund based on a similar fund in operation in Michigan. It creates a special fund under the administration of the Chair of the Workers' Compensation Commission that is used to reimburse employers or insurers for certain benefits paid to employees injured while employed in the logging industry. The fund will reimburse an employer or insurer for any weekly compensation paid to an injured employee or the employee's dependents in excess of \$25,000. The Logging Industry Fund will be funded by a quarterly 1% assessment upon actual paid workers' compensation losses of all employers and insurers in the State. To ensure that no more money than necessary is collected, no assessment will be made if the fund balance equals or exceeds the amount of the previous assessment.

**LD 1255      An Act to Prohibit the Sale of Individual Specific Disease Health Insurance Providing Minimal Benefits**

**PUBLIC 211**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
RYDELL	OTP-AM	H-237
MITCHELL E		
MCCORMICK		

**SUMMARY**

The bill prohibits the sale in this State of disease insurance policies that provide minimal returns to the insured.

Committee Amendment "A" (H-237) establishes as Maine law the standards of the National Association of Insurance Commissioners for individual policies of specific disease insurance. It defines the types of renewal clauses and limits the application of the standards to health insurance. This amendment changes the title of the original bill to reflect the limitations of the standards to individual policies.

**LD 1292      An Act to Clarify Regulation of Private Label Credit Cards**

**PUBLIC 212**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
MORRISON	OTP-AM	H-238
GARLAND		

**SUMMARY**

This bill clarifies that the protections of the Maine Consumer Credit Code apply to credit card plans

using cards that feature the name of a seller in this State, even though the credit cards may be issued by another entity.

Committee Amendment "A" (H-238) requires that the terms of a credit card contract comply with Maine law or that the face of the card show the name of the financial institution along with the name of the seller. The amendment makes a violation of the Maine Revised Statutes, Title 9-A, section 8-303, subsection 7 a violation of the Unfair Trade Practices Act.

**LD 1314      An Act to Require that Health Care Provide Guaranteed Insurance      ONTP**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
PLOURDE	ONTP	
CARROLL D		
HASTINGS		

**SUMMARY**

This bill provides continuity of health care in insurance coverage for group members and individuals. It restricts the questions that may be asked of applicants for the replacement insurance and the use of the medical history information. The bill establishes the Maine Health Insurance Continuity Pool, through which persons ineligible because of medical underwriting or preexisting conditions may obtain insurance from an insurer. All insurers issuing health insurance and health maintenance coverage must participate in the pool.

**LD 1335      An Act to Provide Separate Medical Indemnity Premium Charges Under the Workers' Compensation Insurance Act      ONTP**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MILLS	ONTP	
SWAZEY		

**SUMMARY**

This bill separates medical from indemnity charges for workers' compensation insurance rates and premiums in order to obtain more accurate information, better control and fairer charges for the State's employers.

**LD 1350      An Act to Amend the Maine Health Program      ONTP**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CLARK H	ONTP	
TREAT		
GOULD R A		

**SUMMARY**

This bill makes the Maine Health Program available to more people by increasing household income to 150% or less of the federal poverty level to make them eligible for the program.