

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 1439 An Act Concerning Health Insurance for Retired Teachers**PUBLIC 447**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CLARK N	OTP-AM	H-539 MITCHELL E
THERIAULT		S-216
HASTINGS		
GWADOSKY		

SUMMARY

This bill clarifies that when a school unit changes its group health insurance plan or provider, retired teachers transfer automatically to the new plan or provider, unless they choose otherwise. The bill also clarifies that if a retired teacher declines the group coverage available under the new plan, the replaced plan or provider has no obligation to a retired teacher who declines the new group coverage.

This bill resolves a conflict created by 2 public laws affecting the same section of the law.

Committee Amendment "A" (S-216) clarifies that the replaced group plan or provider has no ongoing responsibility to retired teachers who elect not to participate in the new group plan or provider chosen by the school unit.

House Amendment "A" to Committee Amendment "A" (H-539) restores language from the original bill that clearly states that the replaced plan or provider has no continuing responsibility to the retired teachers.

LD 1490 An Act to Prohibit Financial Institutions from Selling Certain Accounts without Sufficient Notice**ONTP**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MELENDY	ONTP	
COTE		
PINEAU		
KETOVER		

SUMMARY

This bill establishes a requirement for financial institutions to provide 60 days' written notice to owners of credit card accounts or individual retirement accounts prior to the transfer of those accounts to another financial institution, including a successor institution.

LD 1494 An Act to Extend the Sunset on Rating Practices in Group Health Insurance**PUBLIC 353**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MCHENRY	OTP-AM	H-408
RAND		
MITCHELL E		
THERIAULT		

SUMMARY

This bill creates the Maine Health Insurance Assistance Program to provide financial assistance to Maine citizens whose health insurance costs in proportion to their wages exceed the state average. The assistance is in the form of direct payment of premiums.

Committee Amendment "A" (H-408) deletes the text of the bill creating the Maine Health Insurance Assistance Program and extends the sunset date for the law concerning rating practices in group health insurance from October 1, 1991 to October 1, 1992.

LD 1527 An Act to Require Health Insurance to Honor Patient Assignment Requests ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
BALDACCI PINES BRAWN	ONTP	

SUMMARY

This bill requires health insurance companies, preferred provider organizations and health maintenance organizations to honor signed assignment of benefits by insureds and enrollees.

LD 1533 An Act to Regulate Uninsured and Underinsured Motor Vehicle Liability Insurance ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
VOSE	ONTP	

SUMMARY

This bill requires that motor vehicle liability insurers offer uninsured and underinsured liability coverage at the limits of the coverage provided for bodily injury liability and not the minimums required by law. Under current law, liability insurers are not required to offer or sell uninsured motorist coverage equivalent to the insured bodily liability coverage. This bill requires insurance carriers to at least make the motorist aware that the motorist is entitled to uninsured motorist coverage at a level equivalent to the liability insurance being purchased by the insured.

LD 1553 An Act to Provide Equitable Insurance Coverage for Mental Illness CARRIED OVER

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
DORE HOG LUND MAHANY		

SUMMARY

This bill requires group health insurers to provide 80% coverage for certain outpatient and inpatient treatment for all policies or certificates executed, delivered, issued for delivery, continued or renewed on or after January 1, 1992.

This bill provides that certain biologically based severe mental disorders are covered in the same manner as any other biologically based diseases or disorders of the brain for the purposes of health insurance coverage. This ensures that insured persons with these severe disorders receive equitable insurance coverage in the same manner as coverage is provided, for example, to persons with liver diseases, lung diseases and hepatitis.