

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 1652 An Act to Exclude Certain Procedures from the Managed Care Program ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
MAHANY RAND	ONTP	

SUMMARY

This bill prohibits insurers from imposing a penalty for an insured's noncompliance with "managed care" provisions in health insurance policies when the medical treatment received relates to pregnancy. The bill also repeals and replaces 2 other sections in order to resolve a numbering conflict.

LD 1665 An Act to Facilitate the Purchase of Insurance by Purchasing Groups CARRIED OVER

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
RAND THERIAULT ERWIN		

SUMMARY

This bill gives the Superintendent of Insurance the authority, upon petition of any insurer, purchasing group, broker or on the superintendent's own initiative to determine that a particular line of insurance does not exist in this State. The bill also allows purchasing groups the option of purchasing insurance from an insurer not admitted in this State if that insurer is admitted pursuant to the surplus lines laws in another state.

LD 1668 An Act Concerning Insurance Reimbursement for First Assistants in Surgery ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
DUPLESSIS PENDEXTER BRAUN JOSEPH	ONTP	

SUMMARY

This bill requires insurers to cover the services of a nurse working as a first assistant in surgery at the same rate and to the same extent that they now cover physicians performing those services.

LD 1701 An Act Relating to Insurance Trade Practices ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
GEAN GRAY JOSEPH	ONTP	

SUMMARY

This bill amends the unfair claims practices provision of the Maine Insurance Code, Maine Revised Statutes, Title 24-A, section 2436-A, relating to trade practices and fraud by requiring insurance carriers to disclose the limits of liability and policy coverage prior to suit. Claimants often are required to file unnecessary law suits just to learn the liability limits and policy coverages at issue.

This bill eliminates the need to file suit by making the failure to disclose such liability limits and policy coverages an unfair claims practice. In addition, this bill extends the unfair claims practices provisions of Title 24-A, section 2436-A to workers' compensation claims, preserves the common law right of claimants to their legal remedies for bad faith and unfair insurance claims practices and makes clear that claimants have a private right of action under the Maine Insurance Code against insurers for violations of the code.

LD 1721 An Act Concerning Small Business Employer Health Coverage CARRIED OVER
Reforms

SPONSOR(S) THERIAULT GARLAND PLOURDE	COMMITTEE REPORT	AMENDMENTS ADOPTED
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SUMMARY

This bill establishes the Maine Small Business Employer Health Reinsurance Program. This program is a means of pooling the resources of various insurance carriers in order to meet the requirements of health insurance continuity legislation, which became law in 1989. It spreads the risk of loss in the case of small business employer health policies in order to ensure a strong competitive marketplace for health insurance. It allows certain carriers to "opt out" when they can comply with the law and absorb the risk. (See LD 1730)

LD 1725 Resolve, Directing the Department of Education and the ONTP
Bureau of Insurance to Develop a Proposal to Allow Schools
in Maine to Self-insure for Property, Fire and Theft

SPONSOR(S) NUTTING ESTES NORTON LUTHER	COMMITTEE REPORT ONTP	AMENDMENTS ADOPTED
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SUMMARY

This bill directs the Department of Education and the Bureau of Insurance to prepare a proposal to allow elementary and secondary schools in Maine to self-insure for property, fire and theft. (See LD 1946)

LD 1727 Resolve, to Study the Feasibility of a Statewide Health UNSIGNED
Insurance Program

SPONSOR(S) MARTIN J RYDELL BUSTIN MCCORMICK	COMMITTEE REPORT OTP-AM MAJ ONTP MIN	AMENDMENTS ADOPTED H-406 MAJ REP S-424 BRANNIGAN
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SUMMARY

This resolve establishes a joint select committee to develop a plan for a statewide health insurance program. The committee shall hold public hearings, report to the Legislature by February 1, 1992 and present legislation to develop and implement the program no later than July 1, 1993.

Committee Amendment "A" (H-406) changes the composition of the joint select committee to the membership