

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
RON CLARK
RYAN 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 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 Reforms CARRIED OVER

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

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 Bureau of Insurance to Develop a Proposal to Allow Schools in Maine to Self-insure for Property, Fire and Theft ONTP

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

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 Insurance Program UNSIGNED

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

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

of the Joint Standing Committee on Banking and Insurance plus 3 adjunct members appointed by the President of the Senate and the Speaker of the House of Representatives. The report date of February 1, 1992 is changed to January 1, 1992. Funding is altered by the addition of \$80,000 in grant money for which an application will be made to the Robert Wood Johnson Foundation.

Senate Amendment "B" (S-424) changes the focus of the study from "the establishment" of a statewide health insurance program to the "feasibility" of a statewide health insurance program from "how" universal coverage "may" be obtained to "whether" universal coverage "should" be obtained. The amendment authorizes the Legislative Council to seek Robert Wood Johnson Foundation funding, allocates any funds which might be received, and appropriates \$13,920 for the study. The amendment changes the report dates to first meeting August 1, report to the Legislature by November 1 and implementing legislation by November 1, 1992.

LD 1730 An Act to Provide More Affordable Health Insurance for Small ONTP
Businesses

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CARLETON	ONTP	
BRAWN		
ANDERSON		

SUMMARY

This bill permits insurers and nonprofit health plans, like Blue Cross and Blue Shield, to develop a less costly managed care health plan specifically for the small employer market.

The plan permits a number of mandated benefits to be omitted from coverage. The plan is also designed to provide coverage for preventive care services to encourage covered persons to seek treatment at appropriate times before more costly acute care needs arise.

The bill requires insurers to renew basic care policies in most cases. Additionally, the bill requires significant disclosure that the plan does not provide coverage for certain providers and types of illness and that managed care features are included in the plan. (See LD 1721)

LD 1731 An Act to Provide for Funeral Service Life Insurance LV/WD

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

SUMMARY

This bill requires the Superintendent of Insurance to establish the Funeral Service Life Insurance Advisory Board to assist the superintendent in the development of a written examination used for the licensing of a funeral service life insurance agent.

This bill also provides the authority for funeral service life insurance to be sold in the State by persons who are licensed for the practice of funeral service and qualify for funeral service life insurance agent licenses in accordance with the rules adopted by the superintendent. The funeral service life insurance contract is designed to meet the expenses of funeral services upon the death of the owner of the life insurance contract. The proceeds are payable to a person licensed to practice funeral service only for purposes of conducting funeral services as defined in the law. The superintendent may adopt rules to govern the conduct of persons licensed as funeral service life insurance agents.