

# 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.

**LD 1871      An Act to Amend the Banking Laws to Allow Nonprofit Groups to Develop Affordable Housing      CARRIED OVER**

**SPONSOR(S)**                      **COMMITTEE REPORT**                      **AMENDMENTS ADOPTED**  
MITCHELL J  
CLARK N

**SUMMARY**

This bill exempts from the provisions of the Maine Consumer Credit Code a loan or credit sale to a moderate-income, low-income or very low-income person by a creditor that is a nonprofit corporation when part of the purpose of the sale is to establish or maintain affordable housing.

**LD 1884      An Act to Amend the Maine Consumer Credit Code      DIED BETWEEN BODIES**

**SPONSOR(S)**                      **COMMITTEE REPORT**                      **AMENDMENTS ADOPTED**  
THERIAULT                      OTP-AM                      MAJ  
ERWIN                              ONTP                              MIN

**SUMMARY**

This bill increases the amount lenders may assess as an annual charge on basic credit cards to \$24. In addition, it allows lenders to assess an annual charge of \$50 for preferred credit cards, sometimes referred to as "gold cards."

Senate Amendment "A" (S-313) removes from the bill language that allows lenders to assess an annual charge of \$50 for preferred credit cards, sometimes referred to as "gold cards."

**LD 1899      An Act to Increase the Minimum Amount of Insurance Coverage Required for Limousines to Conform with Federal Law      PUBLIC 486**

**SPONSOR(S)**                      **COMMITTEE REPORT**                      **AMENDMENTS ADOPTED**  
LARRIVEE                      OTP  
MITCHELL E  
MACOMBER

**SUMMARY**

This bill requires that limousines for hire be insured in the amount of \$1,500,000, the amount required by the Interstate Commerce Commission for passenger carriers with a seating capacity of 15 or fewer passengers.

**LD 1914      An Act Relating to Workers' Compensation Insurance Rate Setting      P & S 16 EMERGENCY**

**SPONSOR(S)**                      **COMMITTEE REPORT**                      **AMENDMENTS ADOPTED**  
KANY  
MITCHELL E  
HASTINGS  
CARLETON

**SUMMARY**

To avoid the implementation of new rates before the 1991 changes come into effect, this bill proposes to

extend the deadline for decision by the Superintendent of Insurance in the pending rate proceeding to September 30, 1991 providing for a limited purpose hearing to evaluate the rate effect of the changes to Title 39 enacted by the First Regular Session of the 115th Legislature and issuance of a single decision addressing the pending rate proceeding and the superintendent's findings with respect to the changes to the laws. The rates and fresh start surcharges established by the superintendent's decision are in effect from July 1, 1991, thus avoiding any inequitable effect of the delay of the decision in the pending proceeding.

This bill does not apply to any rate proceeding commenced on or after October 1, 1991 and is repealed on that date.

**LD 1946      An Act to Allow the Risk Management Division to Provide Insurance Services for Elementary and Secondary Schools in the State (Pursuant to Joint Order HP1348)      VETO SUSTAINED**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
	OTP-AM      MAJ	H-686      MAJ REP
	ONTP      MIN	

**SUMMARY**

This bill allows the Risk Management Division to provide insurance advice and services to the elementary and secondary schools of the State. It separates the funds for this insurance and insurance for family foster homes, respite care providers and the Casco Bay Island Transit District into a separate reserve fund. It requires the purchase of reinsurance for liabilities over \$300,000 per occurrence, payment to be made by the insured entity. The bill requires annual actuarial advice in the development of premiums and reserves as necessary to protect the funds and the clients.

The House amendment H-686) deletes the requirement that a separate fund be set up within the Risk Management Division for the family foster homes, respite care providers, Casco Bay Island Transit District and schools. It also provides rule-making authority to ensure that the fund is adequately funded and that the assets of the fund are protected.

**LD 1957      An Act to Improve the Maine Workers' Compensation System      VETO SUSTAINED**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
	OTP      MAJ	H-696      MITCHELL E
	OTP-AM      MIN	H-697      ERWIN

**SUMMARY**

This bill represented the majority report of the Joint Standing Committee on Banking and Insurance and the Joint Standing Committee on Labor on workers' compensation reform and made changes to the workers' compensation system as follows. It created the Maine Employer's Mutual Insurance Fund. It strengthened the criteria for the review of lump sum settlements. It allowed the predetermination of independent contractor status. It eliminated the ability of loggers and certain construction workers to be independent contractors. It excluded fringe benefits from the wage calculation. It repealed the statewide work capacity limitation. It increased interest and penalties on awards. It eliminated the compensability of certain subsequent injuries. It created a medical utilization review system. It required health care providers to submit initial medical reports within 5 days. It established an Office of Medical Coordination. It required insurers to offer medical expense deductibles. It allowed for 24-hour coverage pilot projects. It limited health care reimbursement and required providers to complete an occupational health program. It allowed self-insured employers to secure their obligations through funding at a 90% confidence level, or through letters of credit.