

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
115TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1992

**Staff:**  
*Jane Orbeton, Legal Analyst*

*Office of Policy and Legal Analysis  
Room 101, State House Station 13  
Augusta, ME 04333  
(207)287-1670*

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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  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES**

**MAY 1992**

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 far right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX	Chapter # of enacted Public Law
P&S XXX	Chapter # of enacted Private & Special Law
RESOLVE XXX	Chapter # of enacted Resolve
CON RES XXX	Chapter # of Constitutional Resolution passed by both Houses
EMERGENCY	Enacted law takes effect sooner than 90 days
CARRIED OVER	Bill carried over to Special Session
ONTP	Ought Not to Pass report accepted
LVWD	Leave to Withdraw report accepted
INDEF PP	Bill Indefinitely Postponed
FAILED EMERGENCY ENACTMENT	Emergency bill failed to get 2/3 vote
DIED BETWEEN BODIES	House and Senate disagree; bill died
CONF CMTE UNABLE TO AGREE	Committee of Conference formed but unable to agree
VETO SUSTAINED	Legislature filed to override Governor's Veto
UNSIGNED	Not signed by Governor within 10 days
DIED ON ADJOURNMENT	Action incomplete when session ended; bill died

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, especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

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HASTINGS  
MITCHELL E  
PENDLETON  
THERIAULT

**COMMITTEE REPORT**

OTP-AM

**AMENDMENTS ADOPTED**

H-926

**SUMMARY**

This bill permits the Superintendent of Insurance to establish maximum rates for standard health insurance plans. This would provide guidance to insurers as to what rates will be acceptable and would streamline the approval process.

Current law requires group health insurers to offer conversion coverage to those no longer eligible for group coverage at premium rates "in accordance with premium rates applicable to individually underwritten standard risks." This language is difficult to interpret, since many group health insurers do not offer individual policies other than conversions.

The bill also clarifies the authority of the superintendent to require insurers to offer limited benefit conversion plans as a lower cost alternative to more comprehensive coverage.

The bill extends the protections of the conversion laws to Maine residents employed by Maine employers insured under out-of-state policies.

Committee Amendment "A", H-926, exempts carriers from maximum rates if they provide conversion coverage at standard rates through a form that is also issued to individually underwritten standard risks. The amendment also adds a fiscal note.

**LD 2101 An Act to Authorize the Establishment of Nondepository Trust Companies**

PUBLIC 670

**SPONSOR(S)**

MITCHELL E  
LIPMAN  
CLARK N

**COMMITTEE REPORT**

OTP-AM MAJ  
ONTP MIN

**AMENDMENTS ADOPTED**

H-905 MAJ REP

**SUMMARY**

This bill amends the banking laws to authorize the establishment of nondepository trust companies. This change provides state chartering authority similar to that of the Comptroller of the Currency.

This bill also makes the necessary changes to cross-references in the law to ensure that all state-chartered nondepository trust companies are subject to the appropriate sections of the banking laws.

This bill also clarifies the law to ensure that a state-chartered nondepository trust company may convert to another type of financial institution upon application and approval by the Superintendent of Banking. The approval process would involve a review of decision-making criteria.

Committee Amendment "A", H-905, adds a fiscal note to the bill.