

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

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**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.

LD 2119 An Act Relating to Returned Check Charges

ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
ST. ONGE	ONTP MAJ	
MITCHELL E	OTP-AM MIN	
BUSTIN		

SUMMARY

This bill regulates the assessment of a charge against a depositor when a check deposited by that depositor but issued by another party is returned for insufficient funds, by limiting that charge to \$2 per check and prohibiting it entirely if the financial institution in which it is deposited is the same as the one on which it is drawn. This provision is substantially the same as the former Maine Revised Statutes, Title 9-B, section 241, subsection 6, which was repealed by its own sunset date of July 1, 1991.

LD 2125 An Act to Require Insurance Companies Doing Business in Maine to Waive All Antitrust Immunities

ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
JOSEPH	ONTP	
KANY		

SUMMARY

This bill requires that, as a condition of obtaining authority to do business in this State, insurers must waive their immunity from federal antitrust laws. Insurers that are currently licensed must file a waiver by January 1, 1993.

LD 2129 An Act to Amend the Maine Insurance Code

PUBLIC 709

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
RYDELL	OTP-AM	H-988
CLARK N		
FOSS		
CAHILL P		

SUMMARY

This bill expands the range of affordable health care coverage options available to employers and employees in the State and promotes effective peer review for health maintenance organizations.

This bill allows a health maintenance organization to institute a point-of-service option allowing the consumer to choose either the comprehensive benefits of a health maintenance organization or care from a provider of choice with traditional indemnity benefits.

This bill also allows employers to obtain more reasonable rates for health insurance coverage by raising the threshold of the dual choice requirement from 25 employees to 90 employees.

The bill, which is based on the Health Maintenance Organization Model Act, ensures high quality care provided by health maintenance organizations by promoting participation of physicians in conducting peer review. Specifically, the bill extends to peer review organizations of physicians providing care in health maintenance organizations the same confidentiality and protection from discovery currently applicable to peer review organizations in other settings including hospitals and other health care facilities.

Committee Amendment "A", H-988, replaces the original bill. The amendment adds necessary terms to the list of definitions for health maintenance organizations, or HMO's. It requires HMO's to maintain surplus funds to cover indemnity obligations, allows point-of-service options and establishes requirements on point-of-service options for HMO's. It tracks the confidentiality and limited liability provisions applicable to other health care providers. It changes the law so that an employer of 50, rather than 25, employees who offers an HMO shall offer its employees the option of selecting alternative health benefits coverage. The amendment also adds rulemaking power for the Superintendent of Insurance so that written reports may be required from the HMO's to ensure compliance with the law.

This amendment also adds a fiscal note.

LD 2144 An Act to Amend the Law Pursuant to the Medicare Supplement Insurance Minimum Standards Model Act and to Provide Consumer Information for Purchasers of Insurance

**PUBLIC 740
EMERGENCY**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
BRAWN ERWIN KANY	OTP-AM	S-604

SUMMARY

This bill changes the format of the Medicare supplement insurance chapter of the Maine insurance laws to closely track the National Association of Insurance Commissioners' model Medicare supplement legislation. Federal regulators will review the Maine program and these changes will permit greater ease of review.

This bill broadens the authority of the Superintendent of Insurance over group Medicare supplemental coverage issued through out-of-state group insurance plans consistent with federal requirements.

Committee Amendment "A", S-604, requires issuers of Medicare supplement insurance policies to convert the old policies to substantially similar new standardized policies. It requires community rating of Medicare supplement policies issued or renewed after January 1, 1993.

This amendment provides a standard disclosure for all policies that are not Medicare supplement policies. It refers the purchaser to the Medicare Supplement Buyer's Guide, which is available from the insurer. The amendment also adds a fiscal note to the bill.

LD 2147 An Act to Prohibit Undocumented Insurance Trade Practices

PUBLIC 727

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
PRAY GILL MITCHELL E ERWIN	OTP-AM	S-550

SUMMARY

This bill prohibits insurance companies from charging premiums to a credit card held by an insured or potential insured unless the company obtains a signed authorization. The restriction prevents fraudulent or mistaken charges resulting from telephone conversations.

Committee Amendment "A", S-550, requires that the insured sign annually to renew credit card charge authorization. It also adds a fiscal note.