

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 2278 An Act to Require Group Insurance Companies to Notify Covered Employees of Nonpayment of Premiums by Employers

PUBLIC 822

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
GWADOSKY	OTP-AM	H-1155
PINEAU		H-1185 MITCHELL E
KONTOS		

SUMMARY

This bill explicitly requires that beginning January 1, 1993 an insurance company notify an insured person before it cancels a group health insurance contract for nonpayment of premiums.

This bill also corrects a conflict created by 2 public laws enacting the same section.

Committee Amendment "A", H-1155, changes the requirement of notification of cancellation of group health insurance for nonpayment of premium from prior notification to notification on the same day as notice of cancellation is mailed to the group. It requires mailed notice to the group and to the group members at the last address provided by the group or at work and to the Bureau of Insurance and the Department of Labor, Bureau of Labor Standards. This amendment also increases from 31 days to 90 days the conversion rights of the group members.

House Amendment "A", H-1185, adds an allocation section.

LD 2307 An Act to Clarify the Definition of Certain Vehicles for Insurance Purposes

PUBLIC 793
EMERGENCY

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
LARRIVEE	OTP-AM	H-1070
MITCHELL E		H-1088 HEESCHEN
MILLS		H-1139 KILKELLY
CLEVELAND		S-623 KANY

SUMMARY

This bill consolidates and standardizes the insurance requirements for vehicles used for compensation for the transportation of passengers and freight. This bill:

1. Defines "limousine";
2. Defines "for-hire transportation";
3. Requires that passenger vehicles under contract that are used for the transportation of students be issued combination vehicle plates for a fee of \$22;
4. Repeals the insurance requirements for vehicles used in the transportation of passengers and property;
5. Adds to the authority of the Secretary of State the ability to suspend or revoke a person's operating authority permit;
6. Consolidates and standardizes insurance requirements previously in the Maine Revised Statutes, Title 29 and rules of the Department of the Secretary of the State, Division of Motor Vehicles. The insurance requirement for rental vehicles, emergency vehicles and vehicles used to transport property for hire is \$350,000 combined single limit. The minimum insurance for vehicles transporting passengers for hire is determined by the number of passengers carried and whether

the vehicles are used exclusively within the State. Contract school buses are required to insure to \$500,000 and \$1,000,000. School buses owned by municipalities and school districts are exempt; and

7. Exempts vehicles for hire that are used to transport students from operating authority requirements.

Committee Amendment "A", H-1070, adds an emergency clause to bring immediate relief from the present insurance rates for operators of for-hire vehicles that work exclusively in the State. The amendment also provides for the marking of the registration of for-hire vehicles with a stamp if they carry the lower in-state insurance amount. It also clarifies the definition of taxicab, clarifies that parents and legal guardians are exempt from the combination plates requirements and repeals the cargo insurance requirements for intrastate operating authority.

House Amendment "A", H-1088, to Committee Amendment "A" repeals language governing the registration fees for electrically powered passenger vehicles.

Senate Amendment "A", S-623, to Committee Amendment "A" inserts a provision that amends the laws governing proof of insurance as a precondition to vehicle registration to specify that proof of a liability insurance policy is what is required.

House Amendment "B", H-1139, to Committee Amendment "A" is a technical amendment offered on behalf of the Committee on Engrossed Bills. The amendment corrects references to bill sections, as inserted by the committee amendment, in the effective date provision. Adoption of Senate Amendment "A" to Committee Amendment "A" (filing number S-623) added a new bill section that made those references in the effective date section erroneous.

LD 2333 An Act Authorizing an Advisory Referendum on Whether the Congress of the United States Should Establish a National Health Insurance Program DIED BETWEEN BODIES

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
PARADIS P	OTP-AM MAJ	H-1015 MAJ REP
MARTIN J	ONTP MIN	
MCCORMICK		
RYDELL		

SUMMARY

This bill directs the Secretary of State to hold an advisory referendum at the next general election to determine whether the voters of the State favor the Congress of the United States establishing a national health insurance program.

LD 2425 An Act to Ensure Financial Solvency of Insurers through Accreditation PUBLIC 828

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
BRAWN	OTP-AM	S-649
GARLAND		S-660 BRAWN
MITCHELL E		S-670 KANY
KANY		

SUMMARY

The provisions of the bill modify or add to the regulatory standards contained in the Maine Insurance