

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1993

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
FIRST REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

JULY 1993

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.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. 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:

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

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

4693NRG

LD 1359 An Act to Amend the Laws Concerning Medicare Supplement Insurance

PUBLIC 304

SPONSOR(S)
MARTIN J

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-413

SUMMARY

This bill requires an insurer offering coverage under a Medicare supplement policy to offer coverage under its standardized plans to all individuals who are entitled to Medicare benefits due to disability.

Committee Amendment "A" (H-413) deletes the provision requiring community rating across all types of medicare supplement insurance policies and adds an allocation section.

LD 1415 An Act to Clarify the Extent of Insurable Interests

PUBLIC 320

SPONSOR(S)
HARRIMAN

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-234

SUMMARY

This bill clarifies that a partnership or corporation may have an insurable interest in a shareholder's or partner's life. The bill also provides that if an insurable interest exists in the life or body of any insured, then any trusts of which that individual is settlor would also have insurable interests.

Committee Amendment "A", (S-234), clarifies that for a trust to have an insurable interest a settlor or beneficiary of the trust must have an insurable interest as defined by statute.

LD 1437 Resolve, to Require That Doctors of Chiropractic Be Included as Select Physicians in the Maine State Employees Health Plan

CARRIED OVER

SPONSOR(S)
JOSEPH

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

This resolve requires that the Maine State Select managed health care program include chiropractic doctors.

This bill was carried over to the Second Regular Session.

LD 1444 An Act to Provide Choice within the Maine State Employee Health Insurance Program

CARRIED OVER

SPONSOR(S)
RYDELL

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

The purpose of this bill is to reduce the costs of the State Employee Health Insurance Program so as to avoid a serious detrimental impact on the financial position of the State. This bill directs the State Employee Health Commission to provide state employees with a choice of health plans provided by a health maintenance organization, an insurer or a nonprofit service organization. The bill directs the

commission to modify the ongoing bidding process to permit it to engage in competitive negotiation for the purpose of establishing rates for point-of-service plans and purchasing point-of-service plans from more than one bidder.

This bill was carried over to the Second Regular Session and the committee agreed to send the State Employee Health Commission a letter asking that quarterly data be collected by the commission and provided to the committee and that the matter be put out to bid in 1994.

**LD 1464 An Act to Establish Minimum Regulatory Standards for
Insurers to Permit the Bureau of Insurance to Seek
National Accreditation**

**PUBLIC 313
EMERGENCY**

SPONSOR(S)
KIEFFER

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-275

SUMMARY

This bill enables the Bureau of Insurance to seek national accreditation by establishing regulatory standards for insurers. The accreditation process is coordinated through the National Association of Insurance Commissioners, a voluntary association of the 50 state insurance regulators. The purpose of accreditation, consistent insurer solvency regulation across the country, is achieved by requiring state insurance departments to reach and maintain certain standards of insurance regulation, which are subject to continuous monitoring and improvement.

The bill also allocates funds for the continuation of 2 positions created in the workers' compensation reform package enacted by the Third Special Session of the 115th Legislature, Public Law 1991, chapter 885. The bill also provides funds to permit personnel upgrades in the legal and examination areas to reflect performance of accreditation responsibilities. A change in an examiner position from part-time to full-time is proposed to better ensure insurer compliance with performance regulatory standards.

Committee Amendment "A" (S-275) adds a fiscal note and makes the following changes:

1. It sets standards to be observed by the Superintendent of Insurance in the examination of insurance companies whereby the accounting procedures of the National Association of Insurance Commissioners, or NAIC, actuarial and financial analyses and certified public accountants' or CPA reports must be considered in fixing the timing and scope of these examinations.
2. It permits the Superintendent of Insurance to accept the examination reports of another public insurance regulatory official if that other authority is accredited by the NAIC or if examiners from such an accredited state insurance department participated in the examination.
3. It permits participation of other insurance departments in the examinations of foreign insurers with duties assigned in a manner to satisfy the requirements of the Maine Insurance Code, Maine Revised Statutes, Title 24-A.
4. It requires insurers to file CPA audit reports each June 1st and permits consolidated reporting by insurers when commonly owned insurers pool business results through reinsurance.
5. It defines surplus and unassigned funds of insurers for purposes of determining when such insurers may reasonably pay dividends to policyholders.
6. It deletes sections 8 and 9 of the bill pertaining to reinsurance.