

# 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&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; 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 &amp; 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.

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- 21. It provides a time requirement for the filing of information relating to changes to a purchasing group registration statement.
- 22. It prohibits a purchasing group from maintaining uninsured retention amounts.
- 23. It changes the assessment cap for workers' compensation self-insurers.

**LD 1465      An Act to Amend Statutory Provisions Regarding Risk Management Funds**

PUBLIC 470

<b>SPONSOR(S)</b> CARLETON	<b>COMMITTEE REPORT</b> OTP-AM	<b>AMENDMENTS ADOPTED</b> H-553 S-374    PEARSON
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**SUMMARY**

This bill will enable the State's risk management funds to continue to provide insurance for state agencies and selected nonstate entities and meet federal Governmental Accounting Standards Board requirements.

Committee Amendment "A" (H-553) clarifies language in the bill. It requires a report to the Banking and Insurance Committee on the availability and cost of insurance for residential child care facilities and specialized children's homes. It adds a fiscal note.

Senate Amendment "A" (S-374) to Committee Amendment "A" adds to the list of entities to which the director will provide services in the state-administered fund the University of Maine System, the Maine Technical College System and the Maine Maritime Academy.

**LD 1470      An Act to Establish a Risk-sharing Mechanism for Small Group Health Insurance Plans**

PUBLIC 325

<b>SPONSOR(S)</b> CARLETON	<b>COMMITTEE REPORT</b> OTP-AM	<b>AMENDMENTS ADOPTED</b> H-464
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**SUMMARY**

This bill permits health insurers to combine to reinsure claims arising after the implementation of last year's small group health insurance reform, which requires all small group insurers to accept any group that asks for coverage. The bill will prevent any one insurer from being subject to excessive losses as a result of accepting a disproportionate number of high-risk groups.

Committee Amendment "A" (H-464) changes the bill from a requirement that small group health insurers form a reinsurance pool to authorization for them to do so. The amendment eliminates the requirement that the reinsurance pool be prospective only. The amendment adds the requirement that the plan be determined to be in the public interest by the Superintendent of Insurance. The amendment also adds a fiscal note.