

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

SPONSOR(S)
CARLETON**COMMITTEE REPORT****AMENDMENTS ADOPTED****SUMMARY**

The purpose of this bill is to promote access to group health care benefits while avoiding some program costs associated with the purchase of health insurance policies. The bill establishes procedures under which employers may form multiple-employer welfare arrangements to provide health care benefits for employees and their dependents.

Eligibility standards are set to qualify trade associations, industry associations, political subdivisions, religious organizations and professional associations to ensure actuarially viable plans. No capital funds are required to establish an arrangement. Joint liability of participating employers is required to ensure that benefits will be paid through assessments if necessary. If the trust created by the employers is not appropriately funded, the filing of a security deposit with the Secretary of State or the posting of a bond is required. No premium taxes are assessed on such plans. Annual reporting to the Superintendent of Insurance is required and records of the arrangement are to be kept in the State. The superintendent may suspend or revoke the authority of arrangements that are operated in an unsound fashion. Penalties are provided for arrangements that operate without authority.

This bill was carried over to the Second Regular Session.

LD 1548 An Act to Amend the Laws Regarding Health Insurance and Health Care Services

PUBLIC 477

SPONSOR(S)**COMMITTEE REPORT****AMENDMENTS ADOPTED**

S-368 PEARSON

SUMMARY

In Part A the bill does the following.

1. It applies continuity of coverage protection to replacement coverage under individual policies and extends the prior policies receiving continuity protection to employer-affiliated and association-affiliated health plans.
2. It includes as late enrollees for continuity of coverage protection persons who were covered through the Maine High-Risk Insurance Organization.
3. It requires insurers and nonprofit hospital and medical service organizations that provide reinsurance, excess insurance and administrative services to employer-affiliated and association-affiliated health plans to require that the plans, reinsurance and excess insurance comply with the continuity law.
4. It changes the preexisting condition exclusion period to a period of 12 months and prohibits exclusions based on a routine preventive screening or test yielding only negative results.

In Part B the bill does the following.

1. It repeals the provisions on the Maine High-Risk Insurance Organization.