

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1994

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

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

MAY 1994

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, 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:

PUBLIC XXX

P&S XXX

RESOLVE XXX

CON RES XXX

EMERGENCY

ONTP

INDEF PP

FAILED ENACTMENT

FAILED EMERGENCY ENACTMENT

FAILED MANDATE ENACTMENT

DIED BETWEEN BODIES

CONF CMTE UNABLE TO AGREE

VETO SUSTAINED

UNSIGNED

DIED ON ADJOURNMENT

Chapter # of enacted Public Law

Chapter # of enacted Private & Special Law

Chapter # of enacted Resolve

Chapter # of Constitutional Resolution passed by both Houses

Enacted law takes effect sooner than 90 days

Ought Not to Pass report accepted

Bill Indefinitely Postponed

Bill failed to get majority vote

Emergency bill failed to get 2/3 vote

Bill imposing local mandate failed to get 2/3 vote

House & Senate disagree; bill died

Committee of Conference unable to agree; bill died

Legislature failed to override Governor's Veto

Not signed by Governor within 10 days

Action incomplete when session ended; bill died

These summaries were prepared by the analyst or analysts assigned to the committee. If you have any suggestions or comments on the summaries, please let us know.

5581LHS

LD 1584 An Act to Amend the Laws Governing Foreclosure of Mortgages

PUBLIC 544

SPONSOR(S)

MITCHELL E

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-780

SUMMARY

This bill amends the Maine Revised Statutes, Title 14, section 6323 to require that foreclosure auctions be held in the county in which the property to be foreclosed is located. It also requires that a foreclosing mortgagee mail notice of the foreclosure sale to all parties to the action prior to the sale. Finally, it clarifies that a deed given to a purchaser at a foreclosure sale does in fact serve to convey the foreclosed property free and clear of all liens, encumbrances or other interests of the parties to the action.

COMMITTEE AMENDMENT "A" (H-780) restructures the Maine Revised Statutes, Title 14, section 6323. For foreclosures commenced on or after January 1, 1995, it requires notice of the public sale to be mailed by ordinary mail from the mortgagee to all parties who appeared in the foreclosure action. It provides that failure to provide notice does not affect the validity of the sale. The amendment also adds a fiscal note to the bill.

LD 1591 An Act to Clarify the Maine Banking Code as it Pertains to Service Corporations Serving Credit Unions

PUBLIC 655

SPONSOR(S)

KIEFFER

COMMITTEE REPORT

OTP-AM

MAJ

ONTP

MIN

AMENDMENTS ADOPTED

H-1055 TRACY

S-537

SUMMARY

This bill clarifies that a credit union service corporation under the Maine Banking Code, Section 864, may serve only its member credit unions and the membership of affiliated credit unions.

COMMITTEE AMENDMENT "A" (S-537) replaces the bill. Under the amendment an investment in a service corporation made on or after August 1, 1994 will be required to meet the standard of providing at least 75% of its services in the State to credit unions and the membership of affiliated credit unions. The amendment also adds a fiscal note to the bill.

HOUSE AMENDMENT "B" TO COMMITTEE AMENDMENT "A" (H-1055) replaces the language in the committee amendment. Under this amendment, a service corporation formed after July 31, 1994 primarily serves credit unions and the membership of affiliated credit unions if at least 75% of the services provided within the State are to credit unions and members of credit unions. This amendment also strikes the fiscal note from the committee amendment.

LD 1592 An Act to Amend the Maine Self-Insurance Guarantee Association Assessment Base

PUBLIC 491

SPONSOR(S)

CAREY

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

S-394

SUMMARY

Existing provisions for the Maine Self-Insurance Guarantee Association new member assessment and postinsolvency assessment found in the Maine Revised Statutes, Title 39-A, section 404 are based on workers' compensation rates that were formerly approved by the Superintendent of Insurance and were based on filings by the National Council of Compensation Insurance. Due to the deregulation of the workers' compensation insurance market on January 1, 1993, these rates are no longer established by the

Superintendent of Insurance. This bill provides definitions that apply to the new deregulated rate procedure.

COMMITTEE AMENDMENT "A" (S-394) clarifies the language of the original bill in the Maine Revised Statutes, Title 24-A, section 404, subsection 4, paragraphs E and F. It also adds an amendment to Title 24-A, section 403, subsection 8, paragraph A, making a similar correction to the definition of "annual standard premium" for self-insurers in the workers' compensation market. The amendment adds a report from the Bureau of Insurance on the assessment formula for the Maine Self-Insurance Guarantee Association on or before November 1, 1995. It also adds a fiscal note.

**LD 1596 An Act to Promote Managed Care and to Otherwise Facilitate
the Cost-effective Delivery of Health Care in the State**

**PUBLIC 645
EMERGENCY**

SPONSOR(S)
CONLEY

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-502
S-517 MCCORMICK

SUMMARY

The purpose of this bill is to remove the statutory barriers to the formation of managed care health care plans. The bill makes the following changes.

1. It allows satisfaction of the standard and basic plan requirements in the small group market with a managed care product to reflect movement of that market to such products.
2. It provides that an employer may offer a health maintenance organization to employees as its sole health benefit plan option.
3. It clarifies that health maintenance organizations can utilize alternative financing mechanisms in group contracts.
4. It amends rate-filing requirements to be consistent with other group plans.
5. It amends the hospital discounting laws to allow more flexible risk-sharing with hospitals.
6. It preserves a carrier's flexibility to remove obsolete products from the market by providing that a carrier can replace a guaranteed renewable policy with a substantially similar policy that is also guaranteed renewable and complies with the other requirements of the law.
7. It repeals the sunset of the phase-in of the community rating law in the small group and individual markets.

COMMITTEE AMENDMENT "A" (S-502) adds an emergency preamble to the bill. It divides the bill into Part A, derived from the original bill and Part B, which is new.

In Part A the amendment corrects a cross-reference to the insurance provision on penalties for failure to notify of hospitalization. It deletes sections 2 and 3 of the bill. It deletes the words "has substantially similar benefits" from the provision on product discontinuance in the exceptions to guaranteed renewal in the small group market. It deletes sections 5 and 6 of the bill. It adds a provision allowing health maintenance organizations to experience rate their groups unless they are subject to the small group community rating law. It deletes section 8. It adds an exception for product discontinuance to the individual health insurance provisions. It requires the Superintendent of Insurance to reconsider and amend Bureau of Insurance Rule Chapter 750 regarding benefits in the basic and standard health plans in the small group market.