

# 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 1623 An Act to Amend the Credit Reporting Laws**

PUBLIC 505

**SPONSOR(S)**  
BUSTIN

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-400

**SUMMARY**

This bill requires a supervised lender to provide to the consumer a copy of the consumer credit report used by the lender when as a result of the report a loan is denied or the charge for the loan is increased.

COMMITTEE AMENDMENT "A" (S-400) clarifies that a consumer report related to a loan secured by a first mortgage on an owner-occupied dwelling must be provided to a consumer when adverse action is taken. The amendment also adds a fiscal note.

**LD 1624 An Act to Ensure Quality Psychological Services**

VETO SUSTAINED

**SPONSOR(S)**  
PARADIS J

**COMMITTEE REPORT**  
OTP-AM MAJ  
ONTP MIN

**AMENDMENTS ADOPTED**  
H-1022 PINEAU  
S-504

**SUMMARY**

This bill ensures that if a health care provider holds a valid state license for the provision of certain services the provider must be eligible for 3rd-party payor reimbursement under selective contracting.

COMMITTEE AMENDMENT "A" (S-504) adds quality of care to the list of factors, among others, that may be considered in selective contracting in health care. It substitutes licensing standards for credentials in the provision regarding state licensure.

The amendment also adds a fiscal note to the bill.

HOUSE AMENDMENT "A" TO COMMITTEE AMENDMENT "A" (H-1022) changes "quality of care" to "quality of service" in section 2 of Committee Amendment "A" so that it is consistent with section 1 of the committee amendment.

**LD 1626 An Act Concerning Health Insurance**

PUBLIC 547

**SPONSOR(S)**  
MCCORMICK

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-441

**SUMMARY**

This bill makes 3 technical changes in the insurance laws. The bill adds a cross-reference, making the community rating of individual health policies applicable to Blue Cross Blue Shield. This was inadvertently omitted in Public Law 1993, chapter 477.

The bill repeals the words "for informational purposes" in the requirement for filing rating formulas and factors. The rates are regulated, so that filings would not be only for informational purposes.

The bill amends the exclusion and waiting period law, changing the word "policies" to "contracts."

COMMITTEE AMENDMENT "A" (S-441) clarifies that the Maine Revised Statutes, Title 24, section 2349 does not apply to individual or group long-term care policies. This amendment ensures that disabled persons entitled to Medicare benefits are entitled to Medicare supplement insurance on the same terms and

conditions as persons who are eligible due to age. This amendment also conforms existing law to current drafting standards.

**LD 1635      An Act to Authorize a Limited License to Permit Funeral Service Practitioners to Offer Additional Preneed Funeral Service Products      ONTP**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
ERWIN	ONTP	

**SUMMARY**

This bill provides for the granting of a limited life insurance agent's license to funeral service practitioners to sell funeral service life insurance. Funeral service life insurance would be an alternative available to fund an agreement between a consumer and a funeral service practitioner for advance payment of funeral services. The bill also permits funeral service practitioners to advertise the availability of prearranged funeral services funding alternatives. The Bureau of Insurance will provide oversight of the granting of the limited licenses.

**LD 1637      An Act Regarding Insurance Coverage for Mental Illness      PUBLIC 586**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
DORE	OTP	

**SUMMARY**

This bill makes 2 technical corrections in mental illness insurance benefits law enacted in 1993. It corrects the lifetime cap on mental illness benefits, changing the language from "costs associated with a mental illness" to "costs associated with mental illness." It removes 2 sentences added to the application sections of the mental illness provisions, moving one sentence to the coverage subsection and deleting the other.

**LD 1649      An Act to Promote Equitable Penalties for Unlicensed Consumer Lending      PUBLIC 496**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
CARPENTER	OTP-AM	S-401

**SUMMARY**

Under current law, the penalty for a creditor making loans without first having obtained or renewed a supervised lender license is forfeiture of all interest for the full term of each loan. The purpose of this bill is to bring the penalty more in line with the severity of the violation, while retaining sufficient deterrence to nonlicensed lending. Under this bill, if a creditor makes a loan without first obtaining or renewing the supervised lending license, the creditor forfeits the application fee, prepaid finance charge, closing cost and the loan finance charge owed for the first 12 months of the loan.

COMMITTEE AMENDMENT "A" (S-401) adds a cross-reference.