

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

COMMITTEE AMENDMENT "A" (H-884) accomplishes the following.

1. It adds an emergency preamble and emergency clause to the bill.
2. It makes changes in some of the licensing fees.
3. It deletes the reference to 15 days and requires the payment of licensing fees prior to the insurer's agents' expiration dates.
4. It allows the individual to be covered by a bond of \$10,000 or a blanket bond of \$25,000.
5. It requires a report from the Bureau of Insurance to the joint standing committee of the Legislature have jurisdiction over banking and insurance matters on the financial affect of the license fee changes by April 1, 1996.
6. It adds a fiscal note.
7. This amendment also conforms existing law to current drafting standards.

HOUSE AMENDMENT "A" (H-931) restricts the requirement for powers of attorney attached to bonds. It creates an exemption for bonds executed by an officer of the insurer.

LD 1938 An Act to Permit Short-term Health Insurance Policies ONTP

| SPONSOR(S) | COMMITTEE REPORT | | AMENDMENTS ADOPTED |
|-------------------|-------------------------|-----|---------------------------|
| BUTLAND | ONTP | MAJ | |
| | OTP | MIN | |

SUMMARY

This bill exempts short-term, individual health insurance policies from requirements relating to guaranteed renewal and continuity of coverage.

LD 1954 An Act to Continue Health Care Reform in Maine and Prepare for Federal Reforms INDEF PP

| SPONSOR(S) | COMMITTEE REPORT | | AMENDMENTS ADOPTED |
|-------------------|-------------------------|-----|---------------------------|
| CARLETON | ONTP | MAJ | |
| | OTP-AM | MIN | |

SUMMARY

Part A of this bill establishes the Maine Health Resource Management Council. The council shall undertake a wide range study of all aspects of the health system in the State with a goal of preparing the State for health care reforms, including reforms being proposed at the federal level. The council exists from May 1, 1994 to February 6, 1996.

Part B of the bill accomplishes the following:

1. Limits to \$500 penalties for failure to comply with the notification provision of a utilization review program;
2. Applies the same requirements concerning guaranteed issue and community rating that currently apply to small employer health insurance and individual health insurance to group coverage that is not related to employment, such as certain association groups;

3. Authorizes the Superintendent of Insurance to adopt standardized, basic health plans for individual and group health plans of 25 or more persons;
4. Provides for consistent standards of certain credit insurance commissions; and
5. Repeals the provision requiring certain employers to offer an alternative health benefit coverage option.

LD 1965 An Act to Facilitate Government Investment in Mutual Funds PUBLIC 651

| | | |
|-----------------------------|--------------------------------|--|
| SPONSOR(S) PINEAU | COMMITTEE REPORT OTP | AMENDMENTS ADOPTED H-888 PINEAU |
|-----------------------------|--------------------------------|--|

SUMMARY

This bill provides the State and certain governmental units with the same authority to invest in mutual funds as is currently enjoyed by cities, towns, school administrative districts and other governmental units.

HOUSE AMENDMENT "A" (H-888) conforms existing law to current drafting standards.

LD 1980 An Act to Make Maine Law Consistent with the Federal Law PUBLIC 666
Regarding the Omnibus Budget Reconciliation Act of 1993 and
to Clarify Maine Laws Regarding Underwriting and Continuity

| | | |
|-------------------------------|-----------------------------------|-------------------------------------|
| SPONSOR(S) CARLETON | COMMITTEE REPORT OTP-AM | AMENDMENTS ADOPTED H-1020 |
|-------------------------------|-----------------------------------|-------------------------------------|

SUMMARY

This bill does the following.

Part A contains clarification of the standards for coverage of adoptive children required by the Omnibus Budget Reconciliation Act of 1993. Under federal law, the penalty for failure to adopt is reduction in Medicare funds.

Part B contains clarification that Medicaid eligibility may not be considered when calculating benefits and is also required by the Omnibus Budget Reconciliation Act of 1993.

Part C provides a reference in Maine law that reflects the decision to admit corporations as underwriters at Lloyd's of London. Maine law previously recognized only individuals as underwriters.

Part D amends the Maine Revised Statutes, Title 24, section 2347 and Title 24-A, section 2849 to provide continuity of coverage to group members whose group coverage under an employer self-funded plan is being replaced by a new group policy. This change to group-to-group transfers of coverage is consistent with Public Law 1993, chapter 477. Part D also clarifies that section 2849-B does not apply to group-to-group transfers that are covered under section 2849.

COMMITTEE AMENDMENT "A" (H-1020) makes technical changes to the bill and adds a fiscal note.