

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
117TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

AUGUST 1995

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*\*Denotes Chair*



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**ONE HUNDRED AND SEVENTEENTH LEGISLATURE  
FIRST REGULAR SESSION**

**SUMMARY OF LEGISLATION BEFORE  
THE JOINT STANDING COMMITTEES**

**AUGUST 1995**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing 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 publication, History and Final Disposition of Legislative Documents, is helpful in determining to which committee any particular bill was referred.

In this document, 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 categories of final action are abbreviated as follows:

<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House &amp; Senate disagree; bill died</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not to Pass report accepted</i>
<i>P&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of enacted Resolve</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

These summaries were prepared by the analyst or analysts assigned to the committee. If more detailed information is needed on a bill, contact the committee analyst.

5581LHS

**LD 151 An Act to Expand the Protection of the Maine Consumer Credit Code**

ONTP

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>		<b>AMENDMENTS ADOPTED</b>
TREAT	ONTP	MAJ	
RAND	OTP-AM	MIN	

**SUMMARY**

This bill extends the protections of the Maine Consumer Credit Code to consumer credit sales, leases and loans in the amount of \$50,000 or less. Under current law, the code protects consumer credit sales, leases and loans of \$25,000 or less.

COMMITTEE AMENDMENT "A" (H-58) is the minority report and replaces the original bill. It extends the protection of the Maine Consumer Credit Code to motor vehicle sales, loans and leases of \$50,000 or less and establishes a reduced volume fee rate on that category of consumer credit transaction. The amendment also exempts direct automobile loans greater than \$25,000 from the truth-in-lending provisions to maintain parity between state-chartered and federally-chartered financial institutions. Committee Amendment "A" was not adopted.

**LD 168 An Act to Clarify Insurance Coverage Regarding Breast Reconstruction after Mastectomy Surgery**

PUBLIC 295

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>		<b>AMENDMENTS ADOPTED</b>
RAND	OTP-AM	MAJ	S-229
	OTP-AM	MIN	

**SUMMARY**

This bill requires health care insurance policies and contracts providing coverage for mastectomy surgery to provide reconstructive surgery for both the breast on which surgery was performed and the other breast to produce a symmetrical appearance if the patient elects reconstruction and in the manner chosen by the patient and the physician. It applies to health maintenance organizations and nonprofit hospital and medical service corporations. It repeals a statutory section that defines medically necessary mastectomy surgery.

COMMITTEE AMENDMENT "A" (S-229) is the majority report of the committee. The amendment replaces the original bill and requires health care insurance policies and contracts providing coverage for mastectomy surgery, except for those policies covering specific diseases, hospital indemnity or accidental injury, to provide reconstructive surgery for both the breast on which surgery was performed and the other breast to produce a symmetrical appearance if the patient elects reconstruction and in the manner chosen by the patient and the physician. It applies to health maintenance organizations and nonprofit hospital and medical service corporations. It also repeals a statutory section that defines medically necessary mastectomy surgery. The amendment adds a fiscal note as well.

COMMITTEE AMENDMENT "B" (S-230) is the minority report of the committee and replaces the original bill. It amends the definition of medically necessary mastectomy surgery to include the surgery and reconstruction of the unaffected breast for medically necessary reasons. Committee Amendment "B" was not adopted.

**LD 183 An Act to Clarify Fresh Start Charges under the Workers' Compensation Laws**

CARRIED OVER

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

**SUMMARY**

This bill limits the amount of the workers' compensation insurance Fresh Start surcharge for employers who were not in business in the year of any deficit to 2% of their premium or imputed premium in the year that the surcharge is ordered.

**LD 198      An Act to Amend the Law Regarding Mandatory Insurance Coverage for Mental Illness      PUBLIC 19**  
**EMERGENCY**

**SPONSOR(S)**                      **COMMITTEE REPORT**                      **AMENDMENTS ADOPTED**  
DORE                                      OTP-AM                                      H-27

**SUMMARY**

Under current law, provisions authorizing insurance coverage for certain mental health treatments are scheduled to be repealed on July 1, 1995. This bill eliminates those repeal dates.

COMMITTEE AMENDMENT "A" (H-27) extends the statutory provisions authorizing insurance coverage for certain mental health treatments until July 1, 1996. Under current law, these provisions will be repealed July 1, 1995.

**LD 227      An Act to Increase Access to Affordable Health Insurance for Citizens of Maine      ONTP**

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

**SUMMARY**

This bill authorizes basic care medical plans to provide health insurance with high deductibles and levels of coinsurance. The plans may be purchased by persons who are unemployed, self-employed or employed and unable to purchase other insurance. The plans cover hospitalization, prenatal, postnatal and new baby care, surgery, emergency and outpatient care. The plans are exempt from all state mandates of health care services and reimbursement and utilization of providers. The plans are renewable except for specified situations including nonpayment of premium, fraud and withdrawal from the market. The carriers that offer basic care medical plans are authorized to form a pool to distribute the risk of providing coverage to the insureds.

**LD 260      An Act to Amend the Law Regarding the Use of Competitive Bidding by a School Board to Purchase Insurance      ONTP**

**SPONSOR(S)**                      **COMMITTEE REPORT**                      **AMENDMENTS ADOPTED**  
TOWNSEND                                      ONTP                      MAJ  
    OTP                      MIN

**SUMMARY**

This bill adds a voluntary exemption from competitive bidding for insurance for individual school units by allowing the risk pool to competitively bid for its members. Current law requires individual school units to use a competitive bidding process in the purchase of insurance unless the school unit qualifies for a voluntary exemption outlined in the Statute.