

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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**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:

CARRIED OVER	<i>Bill carried over to Second Session</i>
CON RES XXX	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
CONF CMTE UNABLE TO AGREE	<i>Committee of Conference unable to agree; bill died</i>
DIED BETWEEN BODIES	<i>House & Senate disagree; bill died</i>
DIED ON ADJOURNMENT	<i>Action incomplete when session ended; bill died</i>
EMERGENCY	<i>Enacted law takes effect sooner than 90 days</i>
FAILED EMERGENCY ENACTMENT	<i>Emergency bill failed to get 2/3 vote</i>
FAILED ENACTMENT	<i>Bill failed to get majority vote</i>
FAILED MANDATE ENACTMENT	<i>Bill imposing local mandate failed to get 2/3 vote</i>
INDEF PP	<i>Bill Indefinitely Postponed</i>
ONTP	<i>Ought Not to Pass report accepted</i>
P&S XXX	<i>Chapter # of enacted Private & Special Law</i>
PUBLIC XXX	<i>Chapter # of enacted Public Law</i>
RESOLVE XXX	<i>Chapter # of enacted Resolve</i>
UNSIGNED	<i>Not signed by Governor within 10 days</i>
VETO SUSTAINED	<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 302 **RESOLUTION, Proposing an Amendment to the Constitution of
Maine to Safeguard the Assets of the Competitive Workers'
Compensation Fund** ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
TUTTLE	ONTP	

SUMMARY

This resolution proposes an amendment to the Constitution of Maine to safeguard the assets of the Competitive Workers' Compensation Fund, requiring that the assets of the fund be used solely for the purposes for which the fund was established. This constitutional resolution is one of 3 pieces of legislation needed to set up the Competitive Workers' Compensation Fund. The first bill establishes the fund. The second bill authorizes a bond issue of \$10,000,000 to capitalize the fund.

See LD 307 and LD 669.

LD 307 **An Act to Create the Competitive Workers' Compensation
Fund** ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
TUTTLE	ONTP	

SUMMARY

This bill establishes the Competitive Workers' Compensation Fund as an independent mutual insurance company to provide workers' compensation insurance to the employers of this State.

The Competitive Workers' Compensation Fund is patterned after a state mutual insurance company established in Minnesota. It is an independent mutual insurance company and subject to all state laws governing mutual insurers. The fund is under the direction of a board of directors, who are appointed by the Governor and the policyholders. The board of directors is authorized to hire investment managers to assist the board in investing the assets of the fund. The board of directors will select a manager who is responsible for the day-to-day direction of the operation of the fund. The fund is authorized, but not required, to use private insurance agents to sell workers' compensation insurance.

The State must use the fund for workers' compensation liability insurance. The fund will become operational only when it receives sufficient initial capitalization from the State.

This bill accompanies two other pieces of legislation, a bill authorizing a bond issue of \$10,000,000 to capitalize the fund and a resolution proposing an amendment to the Constitution of Maine to safeguard the assets of the fund.

See LD 302 and LD 669.

LD 340 **An Act to Require Insurance Companies to Reenroll
Individuals Who Return to an Insurance Group as Though
No Break in Coverage Occurred** PUBLIC 77

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
BUSTIN	OTP-AM MAJ	S-60
	ONTP MIN	

SUMMARY

This bill requires that if a person is insured by a company, obtains insurance from another company and then wishes to return to the original insurance company, the original company must provide coverage. The original insurance company must renew the person's contract or policy as though a break in coverage never occurred.

COMMITTEE AMENDMENT "A" (S-60) is the majority report of the committee. This amendment allows an individual who was once enrolled under a group plan to reenroll in that group policy or contract when the individual's existing insurance coverage is terminated due to termination of employment, termination of existing coverage under the group policy or contract, the death of a spouse or a divorce. This amendment requires insurers to provide continuity of coverage if the individual requests reenrollment in the group plan within 30 days after termination of the existing coverage. The amendment also adds a fiscal note.

**LD 379 An Act Amending the Charter of the Mutual Fire Insurance Company P & S 2
EMERGENCY**

SPONSOR(S) COMMITTEE REPORT AMENDMENTS ADOPTED
BUTLAND
NADEAU

SUMMARY

The Mutual Fire Insurance Company of Saco is a domestic Maine insurance company that was chartered through a Private and Special Law of the Maine Legislature in 1827. This bill which was introduced without reference to committee amends the company's charter to allow for corporate structural changes to be authorized by the board of directors, consistent with current regulatory and industry practice.

LD 391 An Act to Increase Access to Chiropractor Care under Health Maintenance Organization Managed Care Plans PUBLIC 350

SPONSOR(S) COMMITTEE REPORT AMENDMENTS ADOPTED
GWADOSKY OTP-AM H-453

SUMMARY

This bill allows enrollees in health maintenance organizations to refer themselves to chiropractic providers for 4 weeks of treatment. It allows more treatment under certain conditions. Chiropractic treatment beyond 8 weeks requires the agreement of the primary care provider.

COMMITTEE AMENDMENT "A" (H-453) is the unanimous report of the committee and replaces the original bill. The amendment does the following:

1. It allows enrollees in health maintenance organizations to refer themselves to chiropractic providers participating in the enrollee's health maintenance organization for 3 weeks of treatment, or 12 visits, and limits self-referral to treatment for acute pain or accidental bodily injury.
2. It requires chiropractic providers to send a report to the primary care provider within 3 working days to obligate the health maintenance organization to provide benefits.
3. If treatment is recommended beyond 3 weeks, it requires the chiropractic provider to send the primary care provider a report of a treatment plan for up to 5 more weeks, or a maximum of 12 more visits.
4. It limits an enrollee to a maximum of 36 visits for chiropractic treatment over 12 months without the authorization of the primary care provider.