

# 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:

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

COMMITTEE AMENDMENT "A" (S-233) is the majority report and replaces the original bill. The amendment changes the bill from a resolve to an act and provides individuals the right to a hearing when aggrieved by the application of the workers' compensation insurance rating system. Upon written request, the appeal may be made directly to the Superintendent of Insurance and a hearing must be held within 60 days of the request. The amendment also adds a fiscal note.

**LD 425      An Act to Stabilize Health Insurance Rates for Small Businesses** DIED BETWEEN BODIES

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

**SUMMARY**

This bill extends the community rating requirements to small groups of 50 or fewer members. Under current law, the community rating applies to groups with fewer than 25 insured members.

COMMITTEE AMENDMENT "A" (S-62) is the majority report and adds a fiscal note to the bill. Committee Amendment "A" was not adopted.

**LD 435      An Act to Prohibit Insurers from Cancelling the Policies of Elected Officials** ONTP

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

**SUMMARY**

This bill makes it an unfair trade practice for an insurer to cancel or refuse to renew the insurance policy or contract of any person who has been elected to political office solely because that person is serving or has served as an elected official.

**LD 442      An Act to Exclude Short-term Health Insurance Policies in the Continuity Laws** PUBLIC 342

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>		<b>AMENDMENTS ADOPTED</b>
CAMERON	OTP-AM	MAJ	H-124
	ONTP	MIN	H-161    LUMBRA

**SUMMARY**

This bill requires insurance carriers to offer individual short-term health insurance policies and contracts to individuals who were covered under a group policy and are eligible for the continuity protections of the law. This bill exempts individual short-term health contracts and policies from the requirements relating to guaranteed renewal and continuity of coverage.

COMMITTEE AMENDMENT "A" (H-124) is the majority report and adds a new title that clarifies the original intent of the bill. The amendment clarifies that individuals covered under short-term policies are not provided continuity of coverage if they seek coverage under a guaranteed renewable contract. The amendment requires insurers, agents and brokers to make full disclosure that the short-term policy is exempt from continuity of coverage, guaranteed renewal and any limitation on preexisting condition exclusions. The amendment also requires individuals to disclose prior coverage, if any, under a short-term policy when making an application for individual, short-term health insurance. The amendment adds a fiscal note as well.

HOUSE AMENDMENT "A" (H-161) to COMMITTEE AMENDMENT "A" excludes short-term contracts from community rating provision requirements.

**LD 478**      **An Act to Make Certain Housekeeping Changes to the Banking Code Regarding Hours of Operation, Closing During Emergencies, the Publication of Reports of Financial Condition and the Maturity of Credit Lines**      PUBLIC 24

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
MAYO	OTP-AM	H-28

**SUMMARY**

This bill amends the banking laws. It repeals the requirement that a financial institution close on a day of public thanksgiving, mourning or disaster proclaimed by the Governor or the President of the United States and replaces it with a provision giving the Superintendent of the Bureau of Banking the discretion to declare such a day a bank holiday. It requires that notice of an emergency closing of a financial institution be given to the Bureau of Banking. The amendment repeals the requirement that a financial institution publish a condition and income report in a newspaper and also authorizes bank officers to review certain lines of credit.

COMMITTEE AMENDMENT "A" (H-28) adds a fiscal note to the bill.

**LD 510**      **An Act to Extend the Duration of Workers' Compensation Health Benefit Pilot Projects**      PUBLIC 36

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
CARLETON	OTP-AM	H-42

**SUMMARY**

This bill changes the repeal date of the statutory provision authorizing workers' compensation pilot projects from October 31, 1996 to January 1, 2001.

COMMITTEE AMENDMENT "A" (H-42) adds a fiscal note to the bill.

**LD 515**      **An Act Concerning the Return of Credit Card Receipts**      ONTP

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

**SUMMARY**

This bill requires businesses honoring credit cards to furnish customers with a copy of the signed receipt after each transaction.

**LD 522**      **An Act to Restrict the Ability of Credit Card Companies to Charge Excessive Fees**      ONTP

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
TREAT RAND ADAMS	ONTP	