

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:

<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 & 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&S XXX</i>	<i>Chapter # of enacted Private & 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 577 An Act to Amend the Laws Governing Retail Credit Cards

PUBLIC 84

SPONSOR(S)
KILKELLY**COMMITTEE REPORT**
OTP-AM**AMENDMENTS ADOPTED**
H-92**SUMMARY**

This bill extends the provisions governing lender credit cards to retail credit card sales. The bill deregulates retail credit card programs and also allows retailers to contract for annual fees with consumers.

COMMITTEE AMENDMENT "A" (H-92) prohibits issuers of retail credit cards from contracting for additional fees unless the fees are specifically authorized. The amendment also adds a fiscal note to the bill.

LD 594 An Act to Modify Community Rating for Individual and Small Group Health Plans

PUBLIC 177

SPONSOR(S)
CARLETON**COMMITTEE REPORT**
OTP-AM**AMENDMENTS ADOPTED**
H-123**SUMMARY**

Under current law, premium rates charged by insurance carriers are restricted by community rating. The community rating provisions prohibit insurers from varying premium rates on the basis of gender, health status, claims experience or policy duration. Premium rates may vary due to age, smoking status, occupation or industry or geographic area. The community rating limits are designed to be phased in over a period of years. This bill freezes the community rating law at its current limits.

COMMITTEE AMENDMENT "A" (H-13) freezes the community rating requirements for individual and small group health plans at the 20% rate band scheduled to take effect on July 15, 1995 and directs the Bureau of Insurance to submit a report on the effects of community rating to the joint standing committee of the Legislature having jurisdiction over insurance matters on or before November 1, 1997. The amendment also removes the emergency preamble and the emergency clause from the bill and adds a fiscal note.

HOUSE AMENDMENT "B" (H-246) to COMMITTEE AMENDMENT "A" strikes out the provisions of the committee amendment that freeze the community rating requirements at the 20% rate band. Instead, the amendment extends the 20% rate band for 2 years from July 15, 1995 to July 14, 1997. After July 14, 1997, the community rating provisions will continue at a 10% rate band. The amendment also directs the Bureau of Insurance to submit a report on the effects of community rating law to the joint standing committee of the Legislature having jurisdiction over insurance matters on or before January 1, 1997. House Amendment "B" was not adopted.

HOUSE AMENDMENT "C" (H-254) to COMMITTEE AMENDMENT "A" strikes out the provisions of the committee amendment that freeze the community rating requirements at the 20% band. This amendment freezes the community rate at the 33% band. House Amendment "C" was not adopted.

LD 595 An Act Regarding Insurance Coverage for Mental Illness

PUBLIC 407

SPONSOR(S)
DORE**COMMITTEE REPORT**
OTP-AM MAJ
ONTP MIN**AMENDMENTS ADOPTED**
H-521

SUMMARY

This is an emergency bill that amends mental illness benefits provisions of group health insurance laws. The bill requires that all group health insurance policies in the State provide coverage for certain mental illnesses at the same level as coverage for medical treatment for physical illnesses.

The bill also requires insurers who offer individual insurance policies and health maintenance organizations to provide the same benefits for medical treatment for mental illness as for all group health insurance policies.

COMMITTEE AMENDMENT "A" (H-521) replaces the original bill and removes the emergency preamble and emergency clause. The amendment requires parity for the treatment of biologically-based mental illnesses for all group policies and contracts covering employees of employers with more than twenty employees issued by nonprofit hospital and medical service organizations, commercial insurers and health maintenance organizations. The amendment also requires that nonprofit and commercial insurers and health maintenance organizations offer coverage for biologically-based mental illnesses to the same extent as physical illnesses in individual and small group policies. Childhood schizophrenia and psychotic depression are removed from the list of biologically-based mental illnesses. The diagnosis of a biologically-based mental illness must be made by a licensed allopathic or osteopathic physician. The amendment provides an effective date of July 1, 1996 and adds a fiscal note.

HOUSE AMENDMENT "A" (H-540) to COMMITTEE AMENDMENT "A" expands the diagnostic language in the committee amendment to include licensed psychologists and psychiatrists. The amendment also adds a fiscal note. House Amendment "A" was not adopted.

LD 600 An Act to Clarify Credit Union Common Bond Requirements PUBLIC 101

SPONSOR(S) **COMMITTEE REPORT** **AMENDMENTS ADOPTED**
KIEFFER OTP-AM S-71

SUMMARY

This bill requires the Superintendent of Insurance to review the supporting evidence provided by a credit union proving there is in fact a common bond as required in the Maine Revised Statutes, Title 9-B, section 814 when originally defining its field of membership and when seeking to expand that field of membership. The bill also clarifies that the Legislature did not intend for multiple fields of membership for credit unions and requires the Bureau of Banking to examine state credit unions for compliance with their field of membership requirement.

COMMITTEE AMENDMENT "A" (S-71) replaces the original bill. The amendment clarifies that a community-based field of membership includes those persons who live or work in a well-defined neighborhood, community or rural district and establishes parity between state and federally-chartered credit unions with respect to field of membership requirements. The amendment also requires the Superintendent of Banking to notify interested parties when a credit union proposes a change in field of membership. The amendment adds a fiscal note to the bill as well.

LD 620 An Act to Include Loss of Tax Revenue to the State When ONTP
Considering a Credit Union Application for Expansion

SPONSOR(S) **COMMITTEE REPORT** **AMENDMENTS ADOPTED**
DONNELLY ONTP MAJ
 OTP-AM MIN