

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

STATE OF MAINE  
117TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

AUGUST 1995

**Staff:**

*Colleen M. McCarthy, Legislative Analyst*

*Office of Policy and Legal Analysis  
Room 101/107/135, 13 State House Station  
Augusta, ME 04333  
(207)287-1670*

**MEMBERS:**

*\*Sen. I. Joel Abromson  
Sen. Mary E. Small  
Sen. Dale McCormick*

*\*Rep. Marc J. Vigue  
Rep. Gail M. Chase  
Rep. Gordon P. Gates  
Rep. Norman R. Paul  
Rep. Michael V. Saxl  
Rep. Richard H. Campbell  
Rep. William Guerrette  
Rep. Sumner A. Jones, Jr.  
Rep. Lisa Lumbra  
Rep. Arthur F. Mayo, III*

*\*Denotes Chair*



**Maine State Legislature  
OFFICE OF POLICY AND LEGAL ANALYSIS**

State House Station 13, Augusta, Maine 04333  
Telephone (207) 287-1670  
Telecopier (207) 287-1275

**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 822 An Act Concerning the Lapse of Auto Insurance**

ONTP

**SPONSOR(S)**

MORRISON  
AHEARNE

**COMMITTEE REPORT**

ONTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill amends the motor vehicle laws regarding auto insurance to require that, in addition to the existing requirement of a 10-day notice before cancellation of a policy, insurance companies provide the Secretary of State with a 10-day notice before termination of a policy occurs by expiration. In either case the Secretary of State must demand proof of financial responsibility under the Maine Revised Statutes, Title 29-A, section 1602, including notice of the penalties for failure to provide proof. Under the terms of section 1602, subsection 2, failure to comply with the demand within 30 days will result in the suspension of the person's license, suspension of the registration of the vehicle for which proof of insurance was not provided and the loss of the right to apply for a license or registration.

**LD 838 An Act to Extend the Final Determination of a Fresh Start Policy Year Status**

INDEF PP

**SPONSOR(S)**

KIEFFER

**COMMITTEE REPORT**

OTP-AM

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill extends from 7 years to 9 years the deadline for making a final determination of whether a deficit or surplus exists in the workers' compensation residual market pool for policy years 1988 to 1992. The bill also permits certain parties to petition to reopen the determination of whether a policy year from the former workers' compensation residual market pool has a surplus or deficit. This permits the Superintendent of Insurance to amend a determination so as not to improperly collect or assess a surcharge as a result of an earlier decision.

COMMITTEE AMENDMENT "A" (S-240) permits the Superintendent of Insurance to amend a determination so as not to improperly collect or assess a surcharge as a result of an earlier decision, while enabling the Superintendent to order appropriate additional surcharges if needed to retire a deficit. This amendment also adds a fiscal note to the bill. Committee Amendment "A" was not adopted.

Bill indefinitely postponed; see LD 1578.

**LD 841 An Act to Amend the Approval Requirements for Medicare Supplement Insurance Policies**

CARRIED OVER

**SPONSOR(S)**

CARPENTER  
LORD

**COMMITTEE REPORT**

**AMENDMENTS ADOPTED**

**SUMMARY**

Due to standardization of Medicare supplement policies and community rating reform legislation, annual review and approval of Medicare supplement rates is no longer necessary. As long as no rate increase is requested and the rates meet minimum loss ratio standards, this bill requires filing every year for informational purposes.