

# 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:

<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

**SPONSOR(S)**  
MITCHELL JE  
MCCORMICK

**COMMITTEE REPORT**

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill makes identical changes in the requirements for individual health insurance, group health insurance and health care coverage provided by nonprofit hospital and medical service organizations and health maintenance organizations. All requirements take effect on January 1, 1996. The requirements include the following.

1. Copayments and coinsurance may not be imposed for routine, low-dose screening mammograms. A deductible of no more than \$5 may be charged.
2. Coverage may not be denied or in any way affected by a person having had a prior diagnosis for a fibrocystic breast condition or a breast implantation.
3. Coverage must be provided for breast cancer treatment, subject to the same deductibles, copayments and coinsurance as for other services.
4. Plans that designate physicians as primary care providers must designate physicians providing gynecological and obstetrical services as primary care providers.

**LD 1105**     **An Act to Clarify the Responsibility of an Insurance Agent in the Disclosure of Information**

**SPONSOR(S)**  
CAMPBELL

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
H-252  
S-241 ABROMSON

**SUMMARY**

This bill prevents the terms and conditions of one insurance contract or surety from being incorporated into a subsequent contract or surety unless appropriate disclosures are made. This bill also makes it an unfair claims practice by an insurer to fail to disclose known obligations that are not stated in the contract.

COMMITTEE AMENDMENT "A" (H-252) replaces the original bill and provides that indemnity agreements made in connection with performance or payment bonds must be presented for review in every transaction in which one or more bonds are executed.

SENATE AMENDMENT "D" (S-241) to COMMITTEE AMENDMENT "A" requires that notification of indemnity agreements made in connection with performance or payment bonds be made on an annual basis to indemnitors who are residents of the State and who indemnify bonds executed by corporations of this State. Notification must also be made to an indemnitor who is a principal on the bond. This amendment deletes the language that requires agents, brokers or sureties to provide a copy of the annual notice of the existence of an indemnity agreement to the person or persons executing the bond.

HOUSE AMENDMENT "A" (H-403) to COMMITTEE AMENDMENT "A" requires that notification of indemnity agreements made in connection with performance or payment bonds to be made on an annual basis to indemnitors who are residents of the State and who indemnify bonds executed by corporations of this State. House Amendment "A" was not adopted.

SENATE AMENDMENT "A" (S-157) to COMMITTEE AMENDMENT "A" clarifies that when a person executing a bond waives in writing review of the indemnity, as provided in the committee amendment, that waiver applies to all individuals who executed that indemnity agreement, including individuals who are not executing the bond. Senate Amendment "A" was not adopted.

SENATE AMENDMENT "B" (S-177) to COMMITTEE AMENDMENT "A" replaces the original bill and requires that notification of indemnity agreements made in connection with performance or payment bonds be made to indemnitors on an annual basis. Senate Amendment "B" was not adopted.

SENATE AMENDMENT "C" (S-236) to COMMITTEE AMENDMENT "A" requires that notification of indemnity agreements made in connection with performance or payment bonds be made on an annual basis to indemnitors who are residents of the State and who indemnify bonds executed by corporations of this State. Notification must also be made to an indemnitor who is a principal on the bond. Senate Amendment "C" was not adopted.

**LD 1155      An Act Concerning the Liability of Governmental Entities  
for the Use by Employees of Private Motor Vehicles**

PUBLIC 352

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
GUERRETTE	OTP-AM      MAJ	H-423
	OTP-AM      MIN	

**SUMMARY**

This bill continues in effect a provision under which a governmental entity is not required to defend or indemnify an employee who uses a privately owned vehicle in the course of employment to the extent that coverage is provided by other applicable liability insurance.

COMMITTEE AMENDMENT "A" (H-423) is the majority report and adds a fiscal note to the bill.

COMMITTEE AMENDMENT "B" (H-424) is the minority report and requires the State to reimburse employees for increases in their personal motor vehicle insurance premiums attributed to one or more accidents that occur while the State employees are acting within the scope of employment. The amendment also adds a fiscal note. Committee Amendment "B" was not adopted.

**LD 1183      An Act to Authorize the Issuance of a Credit Card  
to Benefit the Land for Maine's Future Fund**

PUBLIC 358

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
VIGUE	OTP-AM      MAJ	H-325
	ONTP          MIN	

**SUMMARY**

This bill authorizes a Land for Maine's Future Board-sponsored credit card program. The purpose of the program is to create a voluntary source of funding to allow the Land for Maine's Future Board to continue acquiring and maintaining outstanding wildlife habitat, recreational areas and natural lands for future generations. Funds generated by the card will be administered by the Land for Maine's Future Board. This bill allocates funds for land acquisitions and capital improvements.

COMMITTEE AMENDMENT "A" (H-325) corrects the line category in the allocation section from "All Other" to "Capital Expenditures" and changes the allocation in fiscal year 1995-96 from \$75,000 to \$50,000. The amendment also adds a fiscal note to the bill.