

# 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

**An Act to Wind Up the Affairs of the Maine Medical and Hospital Malpractice Joint Underwriting Association**

**SPONSOR(S)**  
KIEFFER

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-215

**SUMMARY**

The Maine Medical and Hospital Malpractice Joint Underwriting Association issued policies from September 1, 1976 to June 30, 1981. There are no open claims in the Maine Medical and Hospital Malpractice Joint Underwriting Association. This bill ratifies the plan of dissolution approved by the Bureau of Insurance.

COMMITTEE AMENDMENT "A" (S-215) clarifies that the Maine Medical and Hospital Joint Underwriting Association entered into an assumption agreement, and not a purchase and sale agreement, with Healthcare Underwriters Mutual Insurance Company.

**LD 1222 An Act to Prevent Age Discrimination in the Purchase of Loan Insurance**

ONTP

**SPONSOR(S)**  
BEGLEY

**COMMITTEE REPORT**  
ONTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill prohibits age discrimination in the rates charged for life insurance related to a loan for the purchase of a motor vehicle.

**LD 1254 An Act to Strengthen Oversight of Medical Malpractice Insurance and Stabilize Premiums**

ONTP

**SPONSOR(S)**  
MILLS

**COMMITTEE REPORT**  
ONTP MAJ  
OTP-AM MIN

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill implements some of the recommendations of the Public Health Resource Group's study of medical malpractice liability. The aim of the bill is to provide stronger regulatory oversight of those companies providing greater than 10% of the medical malpractice insurance in Maine. The bill rejects the "file and use" rating system allowed for most insurance products and institutes a mandatory hearing process for rate filings in this area. It also directs the Superintendent of Insurance to consider the cost-efficiency and investment income of those insurance companies in determining maximum rates. The superintendent is also required to develop an investment income model, the projections of which must be substantially met by the insurance company before a filing may be approved. Finally, the superintendent is directed to develop and conduct a study of closed claims in this area so that a sufficient data base of information will be available for future review of insurance costs and investment and reserving practices.

COMMITTEE AMENDMENT "A" (S-186) is the minority report of the committee and replaces the original bill. The amendment directs the Superintendent of Insurance to develop and conduct a study of closed claims for medical malpractice in the State. The amendment also adds an allocation section and a fiscal note. Committee Amendment "A" was not adopted.