

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
117TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

JUNE 1996

*MEMBERS:*

*Sen. I. Joel Abromson, Chair*

*Sen. Mary E. Small*

*Sen. Dale McCormick*

*Rep. Marc J. Vigue, Chair*

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**ONE HUNDRED SEVENTEENTH LEGISLATURE  
SECOND REGULAR SESSION**

***Summary Of Legislation Before The Joint Standing Committees  
June 1996***

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are 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 finally passed 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>

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 4, 1996.

**LD 1703 An Act to Confirm That Nonprofit Health Care Providers May Achieve Cost Savings on Professional and General Liability Coverage**

PUBLIC 540

Sponsor(s)  
BUTLAND

Committee Report  
OTP-AM

Amendments Adopted  
S-425

LD 1703 proposed to clarify that purchasing groups may pool deductible or retention amounts applicable to the group as a whole and its individual members, without the pooling arrangement being considered "insurance" for the purposes of the Maine Revised Statutes, Title 24-A.

**Committee Amendment "A" (S-425)** proposed to clarify that liability insurance purchasing groups formed under the Maine Liability Risk Retention Act may not assume risk. The amendment brings Maine law into accord with the National Association of Insurance Commissioner's model language and is necessary for state accreditation.

*Enacted law summary*

Public Law 1995, chapter 540 clarifies that liability insurance purchasing groups formed under the Maine Liability Risk Retention Act may not assume risk to bring Maine law into accord with the National Association of Insurance Commissioner's model language and to maintain state accreditation.

**LD 1732 An Act to Promote the Health of Newborns and Their Mothers**

PUBLIC 615  
EMERGENCY

Sponsor(s)  
GOLDTHWAIT

Committee Report  
OTP-AM

Amendments Adopted  
S-511  
S-521

LD 1732 proposed to require all individual and group contracts of nonprofit hospital or medical service organizations, insurers and health maintenance organizations providing benefits for maternity and newborn care to provide coverage for a minimum of 48 hours of inpatient hospital care following a vaginal delivery and a minimum of 96 hours of inpatient hospital care following a cesarean section. Shorter stays may be authorized by the attending physician or certified nurse midwife if the newborn meets the criteria for medical stability contained in the "Guidelines for Perinatal Care," published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology and an initial postpartum home visit for both mother and newborn is provided.

**Committee Amendment "A" (S-511)** replaced the bill and proposed to require all individual and group contracts of nonprofit hospital or medical service organizations, insurers and health maintenance organizations providing benefits for maternity and newborn care to provide coverage for maternity benefits, including coverage for hospital stay, in accordance with the attending physician's determination in conjunction with the mother that the mother and newborn meet the criteria contained in the "Guidelines for Perinatal Care," published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology. The amendment also proposed to add a fiscal note to the bill.

**Senate Amendment "A" To Committee Amendment "A" (S-521)** proposed to clarify that insurance benefits for maternity and newborn care must be provided in accordance with a determination made by an attending certified nurse midwife or an attending physician that the mother and newborn meet the criteria contained in the guidelines.

### ***Enacted law summary***

Public Law 1995, chapter 615 requires all individual and group contracts of nonprofit hospital or medical service organizations, insurers and health maintenance organizations providing benefits for maternity and newborn care to provide coverage for maternity benefits, including coverage for hospital stay, in accordance with the attending physician's or certified nurse midwife's determination in conjunction with the mother that the mother and newborn meet the criteria contained in the "Guidelines for Perinatal Care," published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology.

**LD 1750**

### **An Act to Implement the Recommendations of the Maine Task Force on Interstate Banking and Branching**

**PUBLIC 628**

Sponsor(s)  
VIGUE

Committee Report  
OTP-AM

Amendments Adopted  
H-812  
S-580

The report of the Maine Task Force on Interstate Banking and Branching, dated November 30, 1995, recommends action the State should take in response to the federal Riegle-Neal Interstate Banking and Branching Act of 1994 to permit interstate branching in this State. The report contains numerous recommendations for legislation to enact the necessary statutory authority and safeguards. LD 1750 proposed to make the following changes to the Banking Code in accordance with the recommendations of the task force.

1. The bill makes the necessary changes to definitions in the Maine Banking Code to conform to Riegle-Neal and other changes being proposed in this bill.
2. The bill makes the necessary changes to examination and enforcement provisions of the Maine Banking Code to provide for the regulation of the financial industry in an interstate branching environment. Changes include authorizing the Bureau of Banking to engage in joint examinations, exchange of information and contracting with other state or federal regulatory agencies in order to alleviate regulatory burden; expanding cease and desist and officer removal authority to ensure that interstate branch operations comply with state laws; prohibiting the interstate operation of a deposit production office and reporting requirements to monitor compliance; and establishing a 30% limit on deposits that may be acquired through merger or acquisition by a financial institution doing business in the State.
3. The bill authorizes interstate branching through establishment, acquisition or interstate merger, effective January 1, 1997. This permits an interstate merger, with the operation of interstate branches. It also permits the acquisition of a branch only, and de novo establishment of an interstate branch, but only on a reciprocal basis.
4. The bill permits state-chartered banks to act as agent for other financial institutions, which establishes parity with the new powers provided to federally chartered banks by Riegle-Neal.
5. The bill also makes technical changes to Maine banking and bank holding company laws to conform to Riegle-Neal and other changes being proposed in this bill.
6. The bill also makes technical changes to the Maine franchise tax laws to ensure that interstate branches are subject to the franchise tax.