

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:

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Sen. Dale McCormick

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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 & 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 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 1755**An Act Pertaining to Employee Benefit Plans of Employee Leasing Companies**

ONTP

Sponsor(s)
MILLSCommittee Report
ONTPAmendments Adopted

Current law allows employee leasing companies to provide health and other employee welfare plan benefits to employees leased on a totally unregulated, self-funded basis. LD 1755 proposed to allow employee leasing companies to purchase group life, health and legal service insurance with respect to leased employees. The bill would have subjected self-funded arrangements to the licensing, fiduciary, funding, disclosure and other requirements of state law relating to multiple-employer welfare arrangements.

See related bill LD 1761 referred to the Joint Standing Committee on Labor.

LD 1757**An Act to Clarify and Amend Provisions of the Workers' Compensation Act Relating to Workers' Compensation Self-insurance**

PUBLIC 594

Sponsor(s)
MILLSCommittee Report
OTP-AMAmendments Adopted
S-468

LD 1757 proposed to amend the law relative to workers' compensation self-insurers by establishing a procedure to allow authorized self-insurers that experience a change in ownership or business form to file an application for continuing self-insurance authority without filing a new application and without filing a termination plan. The fee for this application is \$500. The fee for a new application is \$1,000. This bill also proposed to allow the Superintendent of Insurance to waive the requirement for a triennial actuarial review and corrects errors and inconsistencies.

This bill further proposed to clarify provisions relative to membership in the Maine Self-Insurance Guarantee Association and payment of assessments. It amends the law to make it clear that a self-insured employer remains liable for Maine Self-Insurance Guarantee Fund assessments even if the entity experiences a change in business ownership or form. It also provides clarity to the law regarding the authority of the Maine Self-Insurance Guarantee Association to levy annual assessments in the event it is necessary to carry out the purpose of the association.

Committee Amendment "A" (S-468) proposed to do the following:

1. Clarify that the reportable events provision applies to individual self-insurers only; makes the sale of a portion of a business a reportable event if 20% or more of the business is sold;
2. Clarify that the Superintendent of Insurance will prescribe through rulemaking any other events affecting the ownership of the business that must be reported;
3. Clarify some confusing language in the original bill regarding the time for filings;
4. Add a provision that allows the superintendent to request additional information from an applicant for continuing self-insurance authority during the pendency of an application;