

MAINE STATE LEGISLATURE

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**STATE OF MAINE
118TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 1997

MEMBERS:

Sen. Lloyd P. LaFountain III, Chair

Sen. Robert E. Murray, Jr.

Sen. I. Joel Abromson

Rep. Jane W. Saxl, Chair

Rep. Julie Winn

Rep. Thomas M. Davidson

Rep. Christopher P. O'Neil

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Rep. Sumner A. Jones, Jr.

Rep. Arthur F. Mayo III

Rep. Joseph Bruno

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ONE HUNDRED EIGHTEENTH LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS

Summary Of Legislation Before The Joint Standing Committees
August 1997

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. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

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 Regular 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 IN CONCURRENCE</i> | <i>One body accepts ONTP report; the other indefinitely postpones the bill</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/FINAL PASSAGE</i> | <i>Emergency bill failed to get 2/3 vote</i> |
| <i>FAILED ENACTMENT/FINAL PASSAGE</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>OTP ND</i> | <i>Committee report Ought To Pass In New Draft</i> |
| <i>OTP ND/NT</i> | <i>Committee report Ought To Pass In New Draft/New Title</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>Bill held by Governor</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 First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

David E. Boulter, Director
 Offices Located in the State House, Rooms 101/107/135

Joint Standing Committee on Banking and Insurance

LD 112

An Act to Aid Enforcement of the Laws Regarding Mandatory Insurance for Motor Vehicles

ONTP

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|--------------------------------|--|---------------------------------|--|---------------------------|
| <u>Sponsor(s)</u> PINKHAM W | | <u>Committee Report</u> ONTP | | <u>Amendments Adopted</u> |
|--------------------------------|--|---------------------------------|--|---------------------------|

Current law requires that owners and operators of motor vehicles maintain automobile liability insurance or other proof of financial responsibility. LD 112 proposed to amend 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. The requirement in this bill applies to policies that must be filed and certified as proof of financial responsibility with the Secretary of State under the Maine Revised Statutes, Title 29-A, section 1602. The penalties for failure to provide proof of financial responsibility within 30 days of a request include suspension of the person's license, of the registration of the vehicle for which proof of insurance was not provided and of the right to apply for a license or registration.

See related bills LD 622 and LD 836.

LD 159

An Act to Clarify the Parity Provision in Maine Banking Law

**PUBLIC 207
EMERGENCY**

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|-------------------------------|--|-----------------------------------|--|------------------------------------|
| <u>Sponsor(s)</u> ABROMSON | | <u>Committee Report</u> OTP-AM | | <u>Amendments Adopted</u> S-116 |
|-------------------------------|--|-----------------------------------|--|------------------------------------|

In 1996, the U.S. Supreme Court decided Barnett Bank of Marion County, N.A. v. Nelson, holding that national banks may sell insurance in the manner provided for under the National Banking Act, despite state laws to the contrary. LD 159 proposed to amend the Maine Banking Code to clarify the parity provisions to ensure that state-chartered financial institutions are permitted to engage in any and all activities that are permitted for federally chartered financial institutions, including the sale of insurance, notwithstanding any other provision of state law including, but not limited to Maine Revised Statutes, Title 24-A, section 1514-A. It also clarified that any state law preempted in its application to the powers that may be exercised by a federally chartered financial institution must be automatically preempted in its application to financial institutions authorized to do business in this State. This bill also proposed to authorize the Superintendent of Banking to adopt rules to carry out the purposes of Title 9-B, sections 416 and 828, and to ensure that all such activities engaged in by state-chartered financial institutions are carried out in a safe and sound manner and with sufficient consumer protections.

Committee Amendment "A" (S-116) proposed to clarify that preemption of state law may occur through Acts of Congress as well as through actions of federal regulatory authorities and that the superintendent may adopt rules to ensure that any powers exercised by a financial institution in this State under the parity provision are conducted in a safe and sound manner. The amendment also proposed to allow insurance agents and brokers to engage in any

insurance activity permissible for federally chartered financial institutions to the extent authorized by the Superintendent of Insurance through rulemaking.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 207 amends the parity provisions of the Maine Banking Code to allow state-chartered financial institutions to engage in any and all activities permitted for federally chartered financial institutions by federal law or regulatory action notwithstanding any other provision of state law. The law authorizes the Superintendent of Banking to adopt rules to ensure that all such activities engaged in by state-chartered financial institutions are conducted in a safe and sound manner. The law also amends the Maine Insurance Code to permit insurance agents and brokers to engage in any insurance activity permissible for federally chartered financial institutions pursuant to federal law or rule to the extent authorized by the Superintendent of Insurance.

Public Law 1997, chapter 207 was enacted as an emergency measure effective May 16, 1997.

LD 234

An Act to Extend Access to Chiropractic Care under Health Maintenance Organization Managed Care Plans

PUBLIC 99

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| <u>Sponsor(s)</u> CAMPBELL LAFOUNTAIN | <u>Committee Report</u> OTP-AM | <u>Amendments Adopted</u> H-23 |
|---|-----------------------------------|-----------------------------------|

LD 234 proposed to extend the repeal date for access to chiropractor care under health maintenance organization managed care plans from March 1, 1998 to March 1, 2000. Under current law, enrollees in health maintenance organization managed care plans may self refer for chiropractic care under certain conditions.

Committee Amendment "A" (H-23) proposed to remove the repeal date of the statutory provision governing access to chiropractic care under health maintenance organization managed care plans. The amendment also proposed to require the Bureau of Insurance to submit a report to the joint standing committee of the Legislature having jurisdiction over insurance matters by January 1, 1999 on the claims experience of health maintenance organizations related to self-referrals of chiropractic care. The amendment also adds a fiscal note to the bill.

House Amendment "A" (H-70) proposed to amend the bill by removing the exception in current law that exempts all health maintenance organization contracts with the State Employee Health Insurance Program from providing self-referrals for chiropractic care. House Amendment "A" was not adopted.

Senate Amendment "A" (S-86) also proposed to amend the bill by removing the exception in current law that exempts all health maintenance organization contracts with the State Employee Health Insurance Program from providing self-referrals for chiropractic care. Senate Amendment "A" was not adopted.

Enacted law summary

Public Law 1997, chapter 99 removes the repeal date of the provisions in current law that allow self-referrals for chiropractic care by enrollees in health maintenance organization managed care plans. The law also requires the