

MAINE STATE LEGISLATURE

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STATE OF MAINE
118TH LEGISLATURE

SECOND REGULAR SESSION
AND
SECOND SPECIAL SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1998

MEMBERS:

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ONE HUNDRED EIGHTEENTH LEGISLATURE
SECOND REGULAR AND SECOND SPECIAL SESSIONS

Summary Of Legislation Before The Joint Standing Committees
May 1998

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. 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 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:

CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE.....Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES.....House & Senate disagree; bill died
DIED IN CONCURRENCE.....One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT.....Action incomplete when session ended; bill died
EMERGENCY.....Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE.....Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE.....Bill failed to get majority vote
FAILED MANDATE ENACTMENT.....Bill imposing local mandate failed to get 2/3 vote
INDEF PP.....Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED.....Bill held by Governor
VETO SUSTAINED.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

Joint Standing Committee on Banking and Insurance

LD 307

An Act to Allow Self-referral for Obstetrical Care in Managed Care Plans

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE DAGGETT	ONTP	

LD 307 was carried over from the First Regular Session and First Special Session and proposed to require all group managed care plans of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide coverage for obstetrical care throughout a pregnancy without requiring a prior referral from the woman's primary care physician.

The bill would have applied to all policies, contracts and certificates in effect on or after January 1, 1998.

LD 889

An Act to Ensure Fair Claims Settlement Practices

PUBLIC 621

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN	OTP-AM	S-482

LD 889 was carried over from the First Regular Session and First Special Session and proposed to expand the list of the types of unfair claims settlement practices by an insurer for which recovery may be made.

Committee Amendment "A" (S-482) replaced the bill. It proposed to expand the list of unfair claims practices to include the failure of an insurer without just cause to make prompt, fair and equitable settlement of claims for which liability has become reasonably clear. The amendment defines "without just cause" as refusing to settle claims without a reasonable basis to contest liability, the amount of any damages or the extent of any injuries claimed.

The amendment clarifies that the Maine Revised Statutes, Title 24-A, section 2436-A does not prohibit any other claim or cause of action available under law against an insurer. The amendment excepts workers' compensation claims from coverage under this provision.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 621 expands the list of actions considered to be unfair claims settlement practices by insurers to include the failure of an insurer without just cause to make prompt, fair and equitable settlement of claims for which liability has become reasonably clear. An insurer acts "without just cause" if it refuses to settle claims without a reasonable basis to contest the liability of the insurer, the amount of any damages or the extent of any injuries claimed.