

# 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**

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*Sen. Robert E. Murray, Jr.*

*Sen. I. Joel Abromson*

*Rep. Jane W. Saxl, Chair*

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**Staff:**

*Colleen McCarthy Reid, Legislative Analyst*

*Office of Policy and Legal Analysis*

*Room 101/107/135, 13 State House Station*

*Augusta, ME 04333*

*(207)287-1670*



**Maine State Legislature**  
**OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013  
 Telephone: (207) 287-1670  
 Fax: (207) 287-1275

**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](http://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 &amp; 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&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>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

Bureau of Insurance to conduct a study on the claims experience related to self-referrals of chiropractic care of health maintenance organization managed care plans.

**LD 307**                      **An Act to Allow Self-referral for Obstetrical Care in Managed Care CARRIED OVER Plans**

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

LD 307 proposes to require all group managed care plans of insurers, nonprofit hospital and medical service organizations 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. This bill proposes to apply to all policies, contracts or certificates issued or renewed on or after January 1, 1998.

Pursuant to Title 24-A, Maine Revised Statutes, Section 2752, the Bureau of Insurance is required to conduct a review and evaluation of proposed mandated insurance benefit legislation before the proposal is enacted into law. The Joint Standing Committee on Banking and Insurance requested a review and evaluation by the Bureau and LD 307 was carried over to the Second Regular Session to allow the Bureau to complete the study.

**LD 309**                      **An Act to Amend the Laws Governing Medical Payments Coverage Limits on Priority Liens**                      **ONTP**

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

LD 309 proposed to extend the current statutory provisions governing limits on priority liens and subrogation rights related to health insurance policies to medical payments coverage in casualty insurance policies. The bill would have prohibited an insurer from reimbursing an insured for any medical payments that may be recovered from a third party as a result of a legal action except if the payments were allowed on a just and equitable basis.

See related bills LD 1288 and LD 1453.

**LD 335**                      **An Act to Prohibit Certain Activities by Insurance Adjusters**                      **PUBLIC 86**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO ABROMSON	OTP-AM	H-107

LD 335 proposed to prohibit an insurance adjuster from approaching, soliciting or offering services to a person not insured by the insurer for which the adjuster is providing services for at least 36 hours after an accident or occurrence for which the person may have a potential claim.

The bill also proposed to require that a contract between an adjuster and any person not insured by the insurer for which the adjuster is providing services contain an option provision for the rescission of the contract within two business days after the contract is signed.

**Committee Amendment "A" (H-107)** replaced the bill and proposed to prohibit an insurance adjuster from soliciting or offering an adjustment services contract to a person not insured by the insurer for which the adjuster is providing services for at least 36 hours after an accident or occurrence for which the person may have a potential claim. It requires that contracts between adjusters and any person not insured by the insurer for which the adjuster is providing services contain an option provision for the rescission of the contract within two business days after the contract is signed. It also adds an allocation section and a fiscal note.

***Enacted law summary***

Public Law 1997, chapter 86 prohibits an insurance adjuster from soliciting or offering a contract to a person not insured by the insurer that employs the adjuster for at least 36 hours after an accident or occurrence for which the person may have a potential claim. The law also requires that contracts for adjustment services contain a provision allowing rescission of the contract within two business days after the contract is signed.

**LD 350**                      **Resolve, to Establish a Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits**                      **RESOLVE 63 EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FULLER MILLS	OTP-AM	H-89 S-394 MICHAUD

LD 350 proposed to establish the Task Force on Single Claims Processing to study the feasibility of a single claims processing system for third-party payors of health care benefits. The task force shall submit its report to the Second Regular Session of the 118th Legislature.

**Committee Amendment "A" (H-89)** replaced the resolve and proposed to establish the Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits.

It also proposed to add an emergency preamble, an emergency clause, an appropriation section and a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-394)** proposed to change the reporting date, replace the appropriation section with an allocation section and require the Bureau of Insurance to transfer funds to the Legislature.

***Enacted law summary***

Resolve 1997, chapter 63 establishes the Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits. The task force consists of 15 members, including 4 Legislators, and is charged with studying the feasibility of a single claims processing system or of streamlining the current claims processing system used by third-party payors. The task force is required to submit a report to the Second Regular Session of the Legislature no later than January 1, 1998.