

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

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Rep. Arthur F. Mayo III

Rep. Joseph Bruno

Staff:

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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

LD 1288

An Act to Adopt a Uniform Policy on Treatment of Medical Liens in Personal Injury Litigation

ONTP

Sponsor(s)
MILLS

Committee Report
ONTP

Amendments Adopted

LD 1288 proposed to expand the protection afforded insureds under the Maine Revised Statutes, Title 24-A, sections 2729-A and 2836 pertaining to limits of priority liens under group and health insurance policies to the medical payment provisions of a casualty insurance policy.

See related bills LD 309 and LD 1453.

LD 1314

An Act Concerning Costs Imposed by a Lender for Flood Hazard Analysis of Real Estate

ONTP

Sponsor(s)
VIGUE
JENKINS

Committee Report
ONTP

Amendments Adopted

LD 1314 proposed to preclude a mortgagee from assessing additional costs for flood hazard inspections if the appraisal of the subject real estate states that it is not located in a flood zone.

LD 1349

An Act to Reduce Insurance Premiums by Discouraging Insurance Fraud

PUBLIC 341

Sponsor(s)
MAYO
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
H-446

LD 1349 proposed to address the growing financial problems posed by insurance fraud and to reduce insurance premiums by discouraging fraudulent insurance acts. This bill proposed to require an award of reasonable attorney's fees and costs, including investigative costs, to the prevailing party in a civil action in which it is proven that a person committed a fraudulent insurance act.

Committee Amendment "A" (H-446) replaced the requirement in the bill that the court award attorney's fees and costs to the prevailing party in a civil action in which it is proven that a fraudulent insurance act was committed. The amendment proposed to give the court discretion to award attorney's fees and costs to an insurer that prevails in a civil action and also allows the court to award attorney's fees and costs to the prevailing party in civil actions in which a fraudulent insurance act is not established at trial if the allegation is not supported by a reasonable basis.

The amendment also adds a fiscal note.

Enacted law summary

Public Law 1997, chapter 341 allows the court to award attorney's fees and costs to an insurer that prevails in a civil action and to award attorney's fees and costs to the prevailing party in civil actions in which a fraudulent insurance act is not established at trial if the allegation is not supported by a reasonable basis.

LD 1371 An Act Regarding Compensation for Restricting Medical Care ONTP

<u>Sponsor(s)</u> BRENNAN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1371 proposed to prohibit health care practitioners from contracting with nonprofit hospital and medical service organizations, insurers or health maintenance organizations or subcontracting with each other under such contracts to receive any inducement to deny or limit necessary and appropriate health care services or treatment for covered patients.

LD 1374 An Act to Increase Mandatory Auto Insurance Limits ONTP

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1374 proposed to increase mandatory motor vehicle insurance limits for damage to property from \$10,000 to \$25,000, for injury to or death of any one person from \$20,000 to \$50,000 and for one accident resulting in injury to or death of more than one person from \$40,000 to \$100,000. The bill also proposed to increase mandatory uninsured and underinsured motor vehicle coverage by the same amounts. The bill proposed to take effect January 1, 1999.

See related bill LD 668.

**LD 1385 An Act to Promote Parity in the Regulation of Insurance Sales by PUBLIC 315
 Federally and State-chartered Financial Institutions EMERGENCY**

<u>Sponsor(s)</u> CAREY CAMPBELL		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-595 SAXL J S-234
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LD 1385 proposed to authorize state-chartered financial institutions to engage in the sale and negotiation of insurance products to the same extent as federally chartered financial institutions by making the following changes.

It authorizes supervised lenders to engage in insurance agency activities, subject to the same restrictions placed on agents affiliated with financial institutions and credit unions. Agents affiliated with supervised lenders are regulated by the Office of Consumer Credit Regulation and the Superintendent of Insurance.