

# 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*

*Rep. Joseph C. Perry*

*Rep. Stephen S. Stanley*

*Rep. Joseph G. Carleton, Jr.*

*Rep. Sumner A. Jones, Jr.*

*Rep. Arthur F. Mayo III*

*Rep. Joseph Bruno*

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**Maine State Legislature**

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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](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:

- CARRIED OVER*.....*Bill carried over to Second Regular Session*
- 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 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 1619****An Act to Require Banks to Have Written or Oral Authority before Funds Are Electronically Removed from Resident Accounts****ONTP**Sponsor(s)  
GERRYCommittee Report  
ONTPAmendments Adopted

LD 1619 proposed to prohibit a bank from electronically transferring funds from the account of a state resident without first obtaining written or oral authorization.

**LD 1625****An Act to Create an Independent Ombudsman for Consumer Protection in Managed Care****ONTP**Sponsor(s)  
MITCHELL J  
LAFOUNTAINCommittee Report  
ONTPAmendments Adopted

LD 1625 proposed to create a Managed Care Ombudsman to investigate consumer experience with health maintenance organizations and report on that investigation to the Legislature each year. Funding for the ombudsman is obtained by the placement of a surcharge, in an amount determined by the Superintendent of Insurance, on the annual net amounts obtained from the issuance of health care policies, contracts or certificates by nonprofit hospital and medical service organization plans, individual or family health insurers, group health insurers, fraternal benefit societies or health maintenance organizations.

See related bill LD 1848 which was carried over to the Second Regular Session.

**LD 1640****An Act to Streamline Licensing and Reporting Requirements and Reduce Regulatory Burdens for Licensed Insurance Professionals and Insurers****PUBLIC 457  
EMERGENCY**Sponsor(s)  
ABROMSONCommittee Report  
OTP-AM MAJ  
ONTP MINAmendments Adopted  
S-313

LD 1640 proposed to remove the appointment of the Superintendent of Insurance by insurers and other nonresident licensees for service of process of legal actions and provides that licensees must appoint an attorney located in the State as agent for service of process. It proposed to allow the superintendent to bill insurers on a periodic basis for filings rather than requiring licensees to pay with each filing, clarify provisions in third-party administrator law related to insurer responsibility, reduce reporting requirements for surplus lines brokers, modify rebating laws to allow the payment of fees for services rather than commissions, modify rebating laws to allow gifts valued at less than \$20 to be given to insured customers, revise the law to allow insurance agents and insurers to arrange financing for insureds, and repeal chapter 63 of the Maine Insurance Code, removing the regulation of road or tourist service companies from the Bureau of Insurance. It also proposed to repeal chapter 17 of the Maine Insurance Code and enact chapter 16 resulting in the following changes in licensing laws.