

# 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:**

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*Sen. Robert E. Murray, Jr.*

*Sen. I. Joel Abromson*

*Rep. Jane W. Saxl, Chair*

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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:

|   |  |
|---|--|
| <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

5. It provides that when any rebate or discount for a surety bond is approved the economic value of the rebate or discount must be returned to the governmental agency or department of the surety bond covering a project supported with public funds.
6. It adds an effective date of October 1, 1997 for all provisions of the bill pertaining to "single producer licensing", the repeal of Title 24-A, chapter 17 and the enactment of Title 24-A, chapter 16.

The amendment also adds a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 457 repeals chapter 17 of the Maine Insurance Code and enacts a new chapter 16 governing the licensure of insurance professionals. It eliminates the agent and broker categories of licensure and creates one licensure category, "producer".

The law also removes 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 allows the Superintendent to bill insurers on a periodic basis for filings rather than requiring licensees to pay with each filing, clarifies provisions in 3rd-party administrator law related to insurer responsibility, reduces reporting requirements for surplus lines brokers, modifies rebating laws to allow payment of fees for services rather than commissions, modifies rebating laws to allow gifts valued at less than \$20 to be given to insured customers, provides that when any rebate or discount must be returned to the governmental agency or department of the surety bond covering a project supported with public funds, revises the law to allow insurance agents and insurers to arrange financing for insureds and removes the regulation of road or tourist service companies from the Bureau of Insurance.

Public Law 1997, chapter 457 was enacted as an emergency measure effective June 11, 1997. However, the provisions of chapter 457 pertaining to "single producer licensing", the repeal of Title 24-A Maine Revised Statutes chapter 17 and the enactment of Title 24-A Maine Revised Statutes chapter 16 take effect October 1, 1997.

**LD 1642**

**Resolve, to Require the Superintendent of Insurance to Develop Criteria for an Independent Fairness Review Prior to Conversion of a Non-profit Entity to a For-profit Entity**

**ONTP**

|                                 |                                 |                           |
|---------------------------------|---------------------------------|---------------------------|
| <u>Sponsor(s)</u><br>MITCHELL J | <u>Committee Report</u><br>ONTP | <u>Amendments Adopted</u> |
|---------------------------------|---------------------------------|---------------------------|

LD 1642 proposed to require the Superintendent of Insurance to develop criteria to be considered in determining whether a conversion plan of a nonprofit hospital and medical service organization to a for-profit corporation or mutual benefit corporation or entity or engage in for-profit activity is fair and equitable. The superintendent must report back to the Joint Standing Committee on Banking and Insurance of the 118th Legislature no later than February 1, 1998 with the criteria and any legislation recommended by the superintendent to protect the public interest and the subscribers of the nonprofit hospital and medical service organization.