

# 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:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Robert E. Murray, Jr.*

*Sen. I. Joel Abromson*

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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](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:

- 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.

Public Law 1997, chapter 592 corrects errors and inconsistencies and clarifies language in the licensing laws for insurance licensees as a result of the recodification of that chapter of the Maine Insurance Code.

Public Law 1997, chapter 592 also clarifies that a home service contract sold by a licensed real estate broker is not insurance and adds an exemption to the examination requirements for insurance producer licenses for applicants selling mechanical break down insurance only.

**LD 2049**

**An Act to Restore the Managing General Agents Act**

**PUBLIC 573  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO DAVIDSON	OTP	

During the last legislative session the Managing General Agents Act was repealed from the Maine Insurance Code. LD 2049 proposed to enact the Managing General Agents Act in the Maine Revised Statutes, Title 24-A, chapter 16, subchapter VIII. The language is similar to the previous law except for the change of the term "agent" to "producer" and internal cross-reference changes.

***Enacted law summary***

Public Law 1997, chapter 573 enacts the Managing General Agents Act in Maine Revised Statutes, Title 24-A, chapter 16. The Managing General Agents Act was inadvertently repealed in the last legislative session and not reenacted as part of Title 24-A, chapter 16. Public Law 1997, chapter 573 corrects that error.

Public Law 1997, chapter 573 was enacted as an emergency measure effective February 25, 1998; the law applies retroactively to October 1, 1997 to match the effective date of Maine Revised Statutes, Title 24-A, chapter 16.

**LD 2050**

**An Act to Amend the Laws Concerning Life and Health Insurance**

**PUBLIC 604**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL J DAVIDSON	OTP-AM	H-819

LD 2050 proposed to make the following changes to the laws concerning life and health insurance.

In Part A clarify the applicability to multiple-employer welfare arrangements of the consumer protections provided in the Maine Revised Statutes, Title 24-A, chapter 56-A.

In Part B require a notice to terminating employees of their right to purchase an individual medical policy.

In Part C clarify requirements for coverage of newborn children and extends this requirement to health maintenance organizations.

In Part D clarify the law with respect to home health care insurance policies.