

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

FIRST REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 1999

MEMBERS:

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Sen. Neria R. Douglass.

Sen. I. Joel Abromson

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Rep. Robert W. Nutting

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ONE HUNDRED NINETEENTH LEGISLATURE
FIRST REGULAR SESSION

Summary Of Legislation Before The Joint Standing and Select Committees
August 1999

We are pleased to provide this summary of all bills that were considered by the Joint Standing and Select Committees of the Maine Legislature this past session. 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 and select committees.

The document is organized for convenient reference to information on bills considered by the 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).

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*
ENACTMENT FAILED..... *Bill failed to get vote required for enactment or final passage*
NOT PROPERLY BEFORE THE BODY..... *Ruled out of order by the presiding officers; bill died*
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 September 18, 1999.

LD 1151

**An Act to Authorize the Department of Defense, Veterans and
Emergency Management to Establish a Disaster Relief Trust Fund**

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| MCALEVEY LIBBY | ONTP | |

LD 1151 proposed to establish a disaster relief trust fund to be administered by the Maine Emergency Management Agency to match federal disaster assistance funds and provide other local disaster assistance. The trust fund would have been funded by a surcharge on homeowners' and business property insurance policies.

LD 1158

**An Act to Ensure Equality in Mental Health Coverage for Children and
Adults** **CARRIED OVER**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| BROOKS PARADIS | | |

LD 1158 proposes to ensure parity in coverage of mental health treatment for children and adults and to include eating disorders under standard coverage.

LD 1158 has been carried over to the Second Regular Session.

LD 1168

**An Act to Provide Equity in Prescription Insurance for Contraceptive
Coverage**

PUBLIC 341

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| PINGREE SAXL J | OTP-AM MAJ ONTP MIN | S-200 |

LD 1168 proposed to require insurance policies and contracts that provide coverage for prescription drugs or outpatient medical services to provide coverage for prescription contraceptives approved by the federal Food and Drug Administration or for outpatient contraceptive services, respectively, to the same extent that coverage is provided for other prescription drugs or outpatient medical services.

Committee Amendment "A" (S-200) is the majority report of the committee. It proposed to remove the prohibition sections of the bill and clarify that the bill may not be construed to apply to prescription drugs or devices that are designed to terminate a pregnancy. The amendment also proposed to add disability income insurance to the types of insurance that are exempted from the requirement to provide contraceptive coverage.

The amendment proposed to provide an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives for religious employers.

The amendment proposed to provide an exemption from the requirement that this bill undergo review and evaluation by the Bureau of Insurance before being enacted into law.

The amendment would have applied to all policies and contracts issued or renewed on or after March 1, 2000.

The amendment also proposed to add a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-476) proposed to exclude emergency contraception from the application of the bill in addition to prescription drugs and devices that are designed to terminate a pregnancy. It also proposed to amend the definition of a religious employer that may request an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives.

The amendment also proposed to add disability income insurance to the types of insurance that are exempted from the requirement to provide contraceptive coverage.

House Amendment "A" to Committee Amendment "A" was not adopted.

House Amendment "B" to Committee Amendment "A" (H-520) proposed to change the definition of a "religious employer" and would have allowed a religious employer to request an exemption from the purchase of an insurance policy providing mandated coverage for contraceptives. The amendment proposed to require coverage for emergency contraception given to a victim of rape or incest. House Amendment "B" to Committee Amendment "A" was not adopted.

Enacted law summary

Public Law 1999, chapter 341 requires insurance policies and contracts that provide coverage for prescription drugs or outpatient medical services to provide coverage for prescription contraceptives approved by the federal Food and Drug Administration and for outpatient contraceptive services to the same extent that coverage is provided for other prescription drugs and outpatient medical services. The law provides coverage for prescription drugs or devices that are designed to terminate pregnancy. Religious employers are exempted from having to provide insurance policies mandating coverage for contraceptives. Public Law 1999, chapter 341 applies to all policies and contracts issued or renewed on or after March 1, 2000.

LD 1192

An Act to Update Insurance Financial Standards

PUBLIC 113

Sponsor(s)
LAFOUNTAIN
MAYO

Committee Report
OTP-AM

Amendments Adopted
S-54

LD 1192 proposed to amend Maine's audit report, holding company, examination, actuarial certification, credit for reinsurance and risk-based capital standards to bring them more into conformity with the current versions of the National Association of Insurance Commissioners, or NAIC, model laws.

The bill proposed to bring the audit report law into conformance with NAIC standards; make technical changes to the holding company law and adds a service of process provision and a requirement for information sharing between affiliates; establish a procedural timetable for the issuance of examination reports; add a reciprocity provision to the port of entry law; clarify the trust requirements of the credit for reinsurance laws and enact the "reinsurance-only" structure now in use by the NAIC; implement the NAIC's new health organization risk-based capital standards; and repeal certain obsolete exemptions in the audit report, credit for reinsurance and actuarial standards.

In addition, the bill proposed to provide a mechanism for service of process when a person required to appoint an agent fails to comply with that requirement, authorize the redomestication of insurance corporations, consistent with the laws of most other states and eases restrictions on financial institutions seeking to issue letters of credit to workers' compensation self-insurers.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.