

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

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Sen. I. Joel Abromson

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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.

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.

Committee Amendment "A" (S-54) proposed to correct a spelling error and add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 113 amends 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 version of the National Association of Insurance, Commissioners, NAIC, model laws. The enacted law does the following:

1. It brings the audit report law into conformance with NAIC standards;
2. It adds a service of process provision and a requirement for information sharing between affiliates to the holding company law;
3. It establishes a procedural timetable for the issuance of examination reports;
4. It adds a reciprocity provision to the port of entry law;
5. It clarifies the trust requirements of the credit for reinsurance laws and enacts the “reinsurance-only” structure used by NAIC;
6. It implements NAIC’s health organization risk-based capital standards;
7. It provides a mechanism for service of process when a person required to appoint an agent fails to comply with that requirement;
8. It authorizes the redomestication of insurance corporations; and
9. It eases restrictions on financial institutions seeking to issue letters of credit to workers’ compensation self-insurers.

LD 1197 **An Act to Encourage the Acquisition of Long-term Care Insurance** **ONTP**

<u>Sponsor(s)</u> HARRIMAN	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1197 proposed to amend current law so that the Superintendent of Insurance may certify insurance policies covering nursing home and continuing or assisted-living care as long-term care policies. With this certification, the premiums paid for a policy covering nursing home and continuing care will be subtracted from federal adjusted gross income in computing Maine individual taxable income.

LD 1205 **An Act Concerning Access to Obstetrical and Gynecological Services Provided Through Managed Care Plans** **ONTP**

<u>Sponsor(s)</u> MURRAY FULLER	<u>Committee Report</u> ONTP MAJ OTP-AM MIN	<u>Amendments Adopted</u>
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LD 1205 proposed to allow women enrolled in group managed care plans to receive primary, preventive and therapeutic obstetrics and gynecological services from an obstetrician/gynecologist, certified nurse practitioner or certified nurse