

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:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass.

Sen. I. Joel Abromson

Rep. Jane W. Saxl, Chair

Rep. Christopher P. O'Neil

Rep. Joseph C. Perry

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Rep. Kevin J. Glynn

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.

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

midwife participating in the managed care plan, without a referral from a primary care physician. Under current law, enrollees are only allowed to self-refer to a participating provider for an annual gynecological examination.

LD 1218

An Act Relating to Automobile Rental Supplemental Liability Insurance

PUBLIC 270

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM MAJ ONTP MIN	H-341

LD 1218 proposed to allow car rental agents to sell limited supplemental automobile liability insurance in connection with the rental of a motor vehicle without having to take a licensing examination.

Committee Amendment "A" (H-341) proposed to replace the bill. It proposed to require a motor vehicle rental company and at least one employee of the rental company at each location in the State to be licensed as a limited insurance producer for the solicitation or sale of liability insurance in connection with and incidental to the rental of a motor vehicle for a period not to exceed 60 days.

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

Enacted law summary

Public Law 1999, chapter 270 requires a motor vehicle rental company and at least one employee of the rental company at each location in the state be licensed as a limited insurance producer for the solicitation or sale of liability insurance in connection with and incidental to the rental of a motor vehicle for a period not to exceed 60 days.

LD 1241

An Act to Create a Single-payor System for Universal Health Care

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TWOMEY	ONTP	

LD 1241 proposed to do the following.

Part A of the bill would have established the Maine Health Care Authority to administer the Maine Health Care Plan, a universal health care plan for all Maine residents. Part A proposed that the authority contract with an administrator for the administration of the Maine Health Care Plan. It also would have assigned to the Maine Health Care Authority the tasks of creating a comprehensive state health resource plan, establishing a global budget and ensuring the quality and affordability of health care in the State.

Part B would have required the Maine Health Care Authority and the Department of Human Services to coordinate the Maine Health Care Plan with the health benefits provided under the Medicaid and Medicare programs. The department would have required to apply for all waivers necessary to integrate the Medicaid program with the Maine Health Care Plan, and the authority would have required to apply for all waivers necessary to coordinate the benefits of the Maine Health Care Plan and the Medicare program.

Part C would have eliminated the requirement for the Department of Human Services to create a health resource plan. This Part also proposed to repeal the certificate of need program.

Part D would have allowed the members of the board of the Maine Health Care Authority to be paid for expenses incurred by them.