

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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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.

requirements to include the format and content of trust agreements and service contracts, the establishment of reasonable transfer, revocation and account administration fees and inspection of trust agreements.

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

Committee Amendment "A" (H-342) is the majority report of the committee. The amendment proposed to qualify the type of insurance that may be purchased with money in a mortuary trust account. The amendment also proposed to replace board members with a designee of the Commissioner of Professional and Financial Regulation on the list of persons authorized to inspect prearranged funeral account records.

The amendment also proposed to add an allocation section and a fiscal note to the bill.

Committee Amendment "B" (H-343) was the minority report of the committee. It differed from the majority report because it allowed fees to be charged against mortuary trusts for the administration of the mortuary trust account. The bill proposed to limit the fees to be charged to only those fees for the actual financial and tax administration of the trust account. Like the majority report, the amendment proposed to qualify the type of insurance that may be purchased with money in a mortuary trust account and proposed to replace board members with a designee of the Commissioner of Professional and Financial Regulation on the list of persons authorized to inspect prearranged funeral account records. Committee Amendment "B" was not adopted.

The amendment also proposed to add an allocation section and a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 258 updates the prearranged funeral service law and reflects the recommendations of the Funeral Act Review Group assembled by the Department of Professional and Financial Regulation to update the provisions regarding prearranged funeral arrangements.

Public Law 1999, chapter 258 clarifies that insurers may not contract with funeral service providers to solicit or sell policies; updates terminology regarding financial institutions and credit unions and specified the permissible low-risk investments for mortuary trust funds, including the types of insurance that may be purchased with money in a mortuary trust account. The law limits the fees that may be charged against mortuary trust accounts to fees for the actual financial and tax administration of the account. It also requires the Board of Funeral Service to conduct rulemaking governing the format and content of trust agreements and service contracts, the establishment of reasonable transfer, revocation and account administration fees and inspection of trust agreement.

LD 1778

An Act to Make Corrections in the Mental Health Insurance Laws

ONTP

Sponsor(s)
SAXL M

Committee Report
ONTP

Amendments Adopted

LD 1778 proposed to amend the health insurance laws regarding mental health services coverage. Part A of the bill proposed to remove the provisions that exempt employers with 20 or fewer employees insured under a group contract or policy from the coverage requirements and adds anorexia and bulimia to the lists of biological mental illnesses to which the coverage or offer of coverage provisions apply. Part B of the bill proposed to require health insurance policies and contracts to provide coverage for children's mental health disorders under terms and conditions no less extensive than benefits provided for medical treatment for physical illnesses.