

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

Rep. Benjamin F. Dudley

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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.

LD 1787

An Act Regarding Dependent and Family Coverage in the State Employee Health Insurance Program

CARRIED OVER

Sponsor(s)
DAGGETT

Committee Report

Amendments Adopted

LD 1787 proposes to require that the state employee health insurance program treat the children of two unmarried state employees the same as it does the children of two married state employees when offering and establishing costs for health insurance. This bill proposes to require the state to offer so-called "split contracts" to unmarried state employees on the same basis and cost as if offered to married state employees.

LD 1787 has been carried over to the Second Regular Session.

LD 1806

An Act to Clarify the Definition and Licensure of Insurance Consultants, Financial Planners and Investment Advisors

PUBLIC 225

Sponsor(s)
LAFOUNTAIN
SAXL J

Committee Report
OTP-AM

Amendments Adopted
S-111

LD 1806 proposed to eliminate duplicative regulation of financial planners and investment advisors under Title 24-A and bring Maine's definition of "insurance consultant" into conformity with the majority of other states. Financial planners and investment advisors are also regulated under the Maine Revised Statutes, Title 32.

Committee Amendment "A" (S-111) proposed to clarify that investment advisors are not required to be licensed as insurance consultants to the extent that their activities entail providing insurance advice incidental to financial planning advice. The amendment also proposed to allow a licensed insurance producer authorized to act as or on behalf of an investment advisor to collect a fee for insurance advice and collect a commission for the sale of any insurance or annuity policy in connection with rendering that insurance advice.

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

Enacted law summary

Public Law 1999, chapter 225 eliminates duplicative regulation of financial planners and investment advisors and brings Maine's definition of "insurance consultant" into conformity with the majority of other states. It clarifies that investment advisors are not required to be licensed as insurance consultants to the extent that their activities entail providing insurance advice incidental to financial planning advice. It also allows a licensed insurance producer authorized to act as or on behalf of an investment advisor to collect a fee for insurance advice and collect a commission for the sale of any insurance or annuity policy in connection with rendering that insurance advice.

LD 1862

An Act Regarding Assignment of Benefits under a Health Insurance Policy

ONTP

Sponsor(s)
PERRY

Committee Report
ONTP

Amendments Adopted

LD 1862 proposed to require that health care providers notify insurers of assignments of benefits and insurers to pay health care providers directly when they have received notice of assignments of benefits. If after receiving notice of an assignment of benefits an insurer pays an insured's claim, the insurer must still pay the related claim of the health care provider. An assignment of benefits cannot be revoked or amended without the written permission of the health care provider.

LD 1890

An Act to Establish a Patients' Bill of Rights for Managed Care

ONTP

<u>Sponsor(s)</u> PINGREE SAXL J		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1890 proposed to incorporate into state law many of the provisions contained in the proposed federal "Patients' Bill of Rights" legislation. The provisions proposed to govern the following:

1. Access to out-of-network providers;
2. Access to obstetrical and gynecological care;
3. Access to specialty care;
4. Continuity of care;
5. Access to prescription drugs;
6. Access to clinical trials;
7. Availability of independent external review of appeals;
8. Prohibition on financial incentives for providers;
9. Remedy for a carrier's failure to exercise ordinary care; and
10. Nondiscrimination in the delivery of health care services.

See related bills LD 631, 750 and 1619.

LD 1893

An Act to Expand the State's Risk Management Responsibilities

ONTP

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1893 proposed to expand the risk management responsibilities of the Director of the Bureau of General Services to allow the director to provide insurance advice or services for group homes under the Department of Mental Health, Mental Retardation and Substance Abuse Services and to require the director to provide insurance advice and services for all lines of property and casualty insurance for school administrative units and certain private schools.