

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

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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.

<u>Sponsor(s)</u> LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-203
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LD 1930 proposed to protect individuals who have entered into a structured settlement agreement from various companies and individuals who buy the structure, usually at a dramatically reduced cost. The bill proposed to establish procedures and protections pursuant to which such transactions may occur.

A structured settlement is an agreement whereby one party receives a series of payments over a specified term instead of one payment. Structured settlements must always be agreed to by a plaintiff and a particular defendant in a lawsuit.

Committee Amendment "A" (S-203) proposed to make the use of the term "annuity issuer" consistent throughout the bill. It proposed to require transferees of structured settlement payment rights to register with the Bureau of Insurance before doing business in this State. The amendment also proposed to remove the requirement that the structured settlement obligor and annuity issuer provide written approval to the transfer agreement. Instead, it would have allowed structured settlement obligors and annuity issuers to object to the transfer agreement before the court or administrative authority responsible for approving the transfer on the basis that the transfer will result in adverse tax consequences to the structured settlement obligor or annuity issuer. The court or administrative authority may disapprove the transfer on the basis of adverse tax consequences.

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

Enacted law summary

Public Law 1999, chapter 268 establishes procedures to protect individuals who have entered into a structured settlement agreement from various companies and individuals who buy the structure, usually at a dramatically reduced cost. It requires transferees of structured settlement payment rights to register with the Bureau of Insurance before doing business in this state. It allows structured settlement obligors and annuity issuers to object to the transfer agreement before the court or administrative authority responsible for approving the transfer on the basis that the transfer will result in adverse tax consequences to the structured settlement obligor or annuity issuer.

<u>Sponsor(s)</u> SAXL M	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u>
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LD 1947 proposed to expand eligibility for the elderly low-cost drug program to 185% of the federal poverty line. It proposed to preserve the provisions that allow eligibility to be determined in part based on the cost of prescription drugs. It would have imposed a gross premium tax on for-profit health maintenance organizations in the amount that is paid by health insurers at the rate of 2% a year. The bill contains an effective date of January 1, 2000.

Committee Amendment "A" (H-710) proposed to replace the bill. It proposed to increase base income eligibility for the elderly low-cost drug program to 185% of the federal poverty line. It would have authorized consideration of current year projected income in the event of a documentable change in income of more than 10% from the prior year. It contained a general effective date of October 1, 1999.

This amendment proposed to impose a 2% gross premium tax on all for-profit health maintenance organizations, subjecting them to the same premium tax as health insurers, except that it exempts from this requirement health maintenance organizations that are health insurance affiliates of nonprofit hospital and medical service organizations.

