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 Rep. John G. Richardson, Jr. Rep. Nancy B. Sullivan. Rep. Arthur F. Mayo III Rep. Sumner A. Jones, Jr. 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, <u>History and Final Disposition of Legislative Documents</u>, 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
CONF CMTE UNABLE TO AGREE	
DIED BETWEEN BODIES	House & Senate disagree; bill died
DIED IN CONCURRENCE	One body accepts ONTP report; the other indefinitely postpones the bill
	Action incomplete when session ended; bill died
EMERGENCY	Enacted law takes effect sooner than 90 days
	Bill failed to get vote required for enactment or final pasage
NOT PROPERLY BEFORE THE BODY	Ruled out of order by the presiding officers; bill died
INDEF PP	Bill Indefinitely Postponed
ONTP	Bill Indefinitely PostponedOught Not To Pass report accepted
OTP ND	
<i>OTP ND/NT</i>	
P&S XXX	Chapter # of enacted Private & Special Law
PUBLIC XXX	
RESOLVE XXX	
	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 1930

An Act to Protect Beneficiaries of Structured Settlements

PUBLIC 268

Sponsor(s)Committee ReportAmendments AdoptedLAFOUNTAINOTP-AMS-203

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.

LD 1947

An Act to Ensure Access to Prescription Drugs for the Elderly

INDEF PP

Sponsor(s)	Committee Report	Amendments Adopted
SAXL M	OTP-AM MAJ	
	ONTP MIN	

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.

Revenues from the gross direct premium tax on health maintenance organizations would be paid into a new dedicated, nonlapsing fund named the elderly low-cost drug program fund.

The amendment proposed to add an appropriation section, an allocation section and a fiscal note to the bill. Committee Amendment "A" was not adopted.

The elderly low-cost drug program was expanded to 185% of the federal poverty line in the Part II Budget, P.L. 1999 chapter 401, Part KKK.

LD 1954

An Act to Categorize Pervasive Developmental Disorder as a Neurological Disorder rather than a Mental Illness under the Insurance Laws ONTP

Sponsor(s) MACDOUGALL Committee Report ONTP Amendments Adopted

LD 1954 proposed to categorize pervasive developmental disorder, or autism, as a neurological condition rather than a mental illness. Under current law, pervasive developmental disorder, or autism, is categorized as one of seven biologically based mental illnesses. The bill proposed to retain the requirement that pervasive developmental disorder, or autism, be covered by health insurance under the same terms and conditions as other physical illnesses and conditions.

LD 1991

An Act to Protect Customers of Nonbank Cash-dispensing Machines

PUBLIC 229

Sponsor(s)
SULLIVAN
DOUGLASS

Committee Repor OTP-AM Amendments Adopted

LD 1991 proposed to provide for the regulation of cash-dispensing machines operated by entities other than financial institutions and credit unions. It proposed to require registration by any operator seeking to establish cash-dispensing machines in the State and proposed to require disclosure of the name, address and telephone number of the operator of the machine; maintenance of a toll-free number for consumer assistance; and disclosure of the name, address and telephone number of the regulating agency. It also proposed to require that the customer be given the opportunity to cancel a transaction without incurring any fee. In addition, it proposed to provide the Director of the Office of Consumer Credit Regulation with regulation and examination authority and provides for penalties for failure to file notice and to comply with the provisions of this bill.

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

Committee Amendment "A" (H-344) proposed to clarify that point-of-sale or debit card terminals are not regulated as cash-dispensing machines and corrects a clerical error.

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

Enacted law summary

Public Law 1999, chapter 229 provides for the regulation of cash-dispensing machines operated by entities other than financial institutions and credit unions. It requires the following: