

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.

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**

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

<u>Sponsor(s)</u> SULLIVAN DOUGLASS		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-344
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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:

1. Registration by an operator seeking to establish cash-dispensing machines in Maine;
2. Disclosure of the name, address and telephone number of the operator of the machine;
3. Maintenance of a toll-free number for consumer assistance;
4. Disclosure of the name, address and telephone number of the regulating agency; and
5. Cancellation of a transaction by a customer.

Public Law 1999, chapter 20 also gives the Director of the Office of Consumer Credit Regulation authority over cash-dispensing machines operated by entities other than financial institutions and credit unions and provides a penalty for failure to file notice and comply with the provisions of this law.

LD 2029 An Act to Update and Amend the Preferred Provider Arrangement Act CARRIED OVER

<u>Sponsor(s)</u> SAXL J ABROMSON	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 2029 proposes to do the following:

1. It makes definitions in the Maine Revised Statutes, Title 24-A, chapter 32 more consistent with those in Title 24-A, chapter 56-A;
2. It adds geographic accessibility standards for preferred provider arrangements, consistent with those of health maintenance organizations;
3. It provides for the incorporation of downstream risk arrangements;
4. It requires a preferred provider administrator who handles money to be licensed as a third-party administrator, rather than being subject to separate standards as they are currently; and
5. It requires registered preferred provider arrangements to generate annual reports consistent with existing law.

LD 2029 has been carried over to the Second Regular Session.

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

LD 2043 An Act to Clarify Underinsured Motor Vehicle Coverage CARRIED OVER

<u>Sponsor(s)</u> LAFOUNTAIN SAXL J	<u>Committee Report</u>	<u>Amendments Adopted</u> S-204
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LD 2043 proposes to amend the laws governing underinsured vehicle coverage to address problems created in certain cases when more than one person is injured in an accident. It proposes to amend the provision of law identified in Mullen v. Liberty Mutual Insurance Co., 589 A.2d 1275 (Me. 1991) that denies a consumer the full benefit of the purchased insurance coverage in certain circumstances.