

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. 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.

Part B of the bill proposed to establish the position of Commissioner of Health Security. It proposed to establish the pay range for the commissioner as range 89.

Part C of the bill proposed to repeal all sales tax exemptions and increases income tax rates to raise revenue to implement the Maine Single-payor Health Care Plan. The bill also proposed to require that payments by tobacco product manufacturers to the State in settlement of claims brought against them by the State be used to fund the plan.

Committee Amendment "A" (H-631) is the minority report of the committee. The amendment proposed to do the following:

1. Remove the requirement that the Maine Single-payor Health Care Plan provide coverage for long-term care and dental services;
2. Increase the maximum copayment that may be charged for prescription drugs to \$10;
3. Clarify the provision of healing services by recognized nonmedical religious providers;
4. Remove the requirement that payments from the tobacco settlement to the State be used to partially fund the Maine Single-payor Health Care Plan;
5. Require that the Commissioner of Health Security report to the joint standing committee of the Legislature having jurisdiction over insurance matters;
6. Repeal the statutes creating the State Employee Health Commission and the State Employee Health Insurance Program. State employees will be insured under the Maine Single-payor Health Care Plan. It also corrected cross-references to the State Employee Health Commission and the State Employee Health Insurance Program; and
7. Remove the provisions in the bill repealing all sales tax exemptions and increasing income tax rates. Instead, the amendment requires the Commissioner of Health Security and the State Tax Assessor to determine the funding levels required to support the Maine Single-payor Health Care Plan and to recommend to the Legislature the imposition of the Maine Single-payor Health Care Plan tax on all plan enrollees to provide funding for the plan.

The amendment also proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 2096 **An Act Requiring Timely Reimbursement of Health Insurance Claims** **ONTP**

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|--|---------------------------------|---------------------------|
| <u>Sponsor(s)</u> SHIELDS MITCHELL B | <u>Committee Report</u> ONTP | <u>Amendments Adopted</u> |
|--|---------------------------------|---------------------------|

LD 2096 proposed to require that health insurers, including managed care companies, pay provider claims on a timely basis or be subject to interest and penalties.

LD 2138 **An Act to Permit the Transfer of Liabilities by a Member of a Workers' Compensation Group Self-insurer** **CARRIED OVER**

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|-----------------------------|-------------------------|---------------------------|
| <u>Sponsor(s)</u> SAXL M | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-----------------------------|-------------------------|---------------------------|

LD 2138 proposes to enable a member of a workers' compensation self-insured group to withdraw from the group with the approval of the group by insuring the departing member's own liabilities arising from that member's own claims that would otherwise remain the responsibility of the group. It proposes to further authorize the Superintendent of Insurance to approve insurance policy endorsements that would accomplish this.

LD 2138 has been carried over to the Second Regular Session.

LD 2152

An Act to Amend the Laws Governing Financial Institutions

PUBLIC 218

Sponsor(s)
DOUGLASS

Committee Report
OTP-AM

Amendments Adopted
S-131

LD 2152 proposed to correct a cross-reference to the Department of Human Services law that sets the requirements for mandatory reporting of suspected elder and adult financial abuse. Banks fall under the voluntary reporting provisions of Department of Human Services law.

It proposed to clarify that the Bureau of Banking's authority under the Maine Revised Statutes, Title 9-B, chapter 24 extends to credit unions authorized to do business in this State.

It proposed to change references to insurance agent or broker to insurance producer, a term codified last session in insurance licensing laws.

It proposed to clarify existing law that states that a financial institution must have five directors in its governing body. The bill would have provided flexibility for the Superintendent of Banking to approve fewer directors for good cause shown; this change is consistent with the remainder of the law.

It proposed to repeal and replace the current law that sets forth the procedure for a bank to establish a new branch. The major change to current law is that it sets forth a procedure for a Maine chartered financial institution to obtain approval to establish a branch in a foreign country consistent with the change made in 1997 that permits a bank from a foreign country to establish a branch in Maine. It also proposed to clarify the process for approval of interstate branches that have been permitted by Maine law since 1997.

It proposed to remove outdated references to bank holidays in Maine banking law.

It proposed to clarify that applications for expedited conversions from federal to state bank charters must be accompanied by a fee of \$2,000, which is the same amount charged for a standard charter application procedure. It further clarified that there is no application nor fee charged for conversion from a state to federal charter as such transactions are governed by federal law.

It proposed to permit a federally chartered savings bank, savings and loan association or national bank that converts its charter to a state charter to retain its preconversion corporate title including the use of the designation "federal," "FSB," "National" or "NA" or derivatives of those designations, provided the institution uses the designation "state association" or "S.A." in its name.

It proposed to clarify that an application by the depositors, members or investors of an institution to liquidate the institution must have the concurrence of the superintendent.

It proposed to remove a reference to Title 9-B, Parts 5, 6 and 7; those parts were repealed in the last legislative session.

It proposed to make technical changes to the law governing the process for approval for a bank to engage, either directly or indirectly, in a closely related activity, clarifying that a notice to the Superintendent of Banking is required in all