

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

SECOND REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 2000

MEMBERS:

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Sen. Neria R. Douglass
Sen. I. Joel Abromson*

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Staff:

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Maine State Legislature
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ONE HUNDRED NINETEENTH LEGISLATURE
SECOND REGULAR SESSION

Summary Of Legislation Before The Joint Standing Committees
July 2000

We are pleased to provide this summary of 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:

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
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE.....Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE.....Bill failed to get majority vote
FAILED MANDATE ENACTMENT.....Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP.....Bill Indefinitely Postponed
ONT P..... 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 Second Regular Session (unless otherwise specified in a particular law) is August 11, 2000.

David E. Boulter, Director
Offices Located in the State House, Rooms 101 & 107

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FULLER MITCHELL B	ONTP	

LD 2424 proposed to require health insurance policies and contracts that cover children in school to cover services performed by a physician, nurse practitioner or physician assistant who is employed or contracted to provide those services by an elementary or secondary school. The bill also proposed to require the Department of Human Services to adopt rules no later than October 1, 2000 to ensure coverage of those same services under Medicaid.

See related joint order, HP 1864.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SULLIVAN	OTP-AM	S-663

LD 2520 proposed to rewrite certain provisions of the Maine Insurance Code dealing with investments of life and health insurers, including investments in affiliates, foreign investments, encumbrance of securities and limits on both mortgage loans and the use of derivative investments. It would replace portions of current Maine law with provisions drawn from the Investment of Insurers Model Act developed by the National Association of Insurance Commissioners, or "NAIC," and adopted in a number of other states. LD 2520 proposed to do the following:

1. It adds a number of definitions to Maine's investment law to implement the provisions of this bill and repeals the definition of "bona fide hedging transaction."
2. It addresses hedging and other uses of derivative investment instruments, consistent with the model investment law and more recent regulatory developments in other states. It places new limits on the use of derivatives by life and health insurers, while at the same time updating Maine law to recognize the evolution in this area.
3. It amends the diversification requirements of Maine's investment law to specifically apply to derivative transactions, counter-party exposure amounts, securities lending transactions, reverse repurchase transactions, repurchase transactions and dollar roll transactions.
4. It imposes limits on mortgage lending by life and health insurers not now imposed in Maine law. The limits are similar to those contained in the NAIC model investment law.
5. It expands the limitations on foreign investments to match those in the model investment law, allowing Maine life and health insurers greater access to maturing global capital markets.