

# MAINE STATE LEGISLATURE

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*State Of Maine  
120th Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Banking and Insurance*

*August 2001*

**Members:**

*Sen. Lloyd P. LaFountain III, Chair  
Sen. I. Joel Abromson  
Sen. Neria R. Douglass*

*Rep. Christopher P. O'Neil, Chair  
Rep. Benjamin F. Dudley  
Rep. Nancy B. Sullivan  
Rep. Marilyn E. Canavan  
Rep. Lisa T. Marrache  
Rep. William J. Smith  
Rep. Arthur F. Mayo III  
Rep. Kevin J. Glynn  
Rep. Florence T. Young  
Rep. John M. Michael*

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**Maine State Legislature  
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**120th Legislature  
First Regular Session**

**Summary Of Legislation Before The Joint Standing Committees  
August 2001**

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 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](http://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*  
*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*  
*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 21, 2001**.

*David E. Boulter, Director*  
Offices Located in the State House, Rooms 101/107/135

## Joint Standing Committee on Banking and Insurance

LD 175

**An Act to Require a Separate Long-term Care Insurance License**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KANE PENDLETON	ONTP	

LD 175 proposed to require insurance producers licensed to sell life and health insurance to obtain a separate license authority and meet separate education and examination requirements for the sale of long-term care insurance. It would have applied to all new license applications and all license renewals made on or after October 1, 2001.

**LD 203**

**An Act to Establish Medical Savings Accounts**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATERHOUSE BENNETT	ONTP	

LD 203 was re-referred from the Joint Standing Committee on Taxation.

LD 203 proposed to allow residents of the State to establish medical savings accounts for payment of eligible medical expenses, including the payment of health insurance premiums and deductibles. Contributions to, interest earned on and qualified withdrawals from medical savings accounts would be exempt from Maine state income tax.

See related bill LD 1554.

LD 204

**An Act to Encourage the Creation of an Alliance for the Purpose of Purchasing Health Insurance**

PUBLIC 369

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARRACHE KILKELLY	OTP-AM	H-587

LD 204 proposed to establish a purchasing alliance to allow small employers and uninsured individuals access to health insurance on an aggregate group basis.

**Committee Amendment "A" (H-587)** replaced the bill. The amendment proposed to eliminate the requirement that a voluntary private purchasing alliance offer at least 3 different carriers through the alliance. The amendment also would allow a given benefit plan that offers services through a preferred provider arrangement to have a benefit differential that exceeds 20% if the Superintendent of Insurance waives the requirement.

**House Amendment "A" to Committee Amendment "A" (H-612)** proposed to add a notice and hearing requirement to the provision allowing the Superintendent of Insurance to waive the benefit level differential between