

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).

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

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services rendered by preferred providers and nonpreferred providers. House Amendment "A" to Committee Amendment "A" was not adopted.

Enacted law summary

Public Law 2001, chapter 369 eliminates the requirement that a voluntary private purchasing alliance offer at least 3 different carriers through the alliance. The law also allows a given benefit plan that offers services through a preferred provider arrangement to have a benefit differential that exceeds 20% for services rendered by preferred and nonpreferred providers if the superintendent waives the requirement.

LD 208 **An Act to Amend the Uninsured Motor Vehicle Coverage Requirements** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON MAYO	ONTP	

LD 208 proposed to allow employers who have secured workers' compensation coverage for their employees to exclude coverage for uninsured motor vehicle coverage claims by their employees or to reduce the amounts paid to their employees for uninsured motor vehicle coverage claims by the amount of workers' compensation benefits paid to the employee. If an employer did not have workers' compensation coverage at the time of the accident giving rise to a claim, the bill would have required that the motor vehicle insurance policy provide coverage in amounts equal to the minimum limits for liability prescribed in the Maine Revised Statutes, Title 29-A, section 1605.

LD 213 **An Act to Clarify Mixed Automobile Insurance** **PUBLIC 109**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON MAYO	OTP-AM	S-41

LD 213 proposed to clarify the definition of a personal automobile insurance policy. It set a threshold for determining whether a motor vehicle qualifies as a private passenger vehicle or a vehicle used primarily in the operation of a business or profession.

Committee Amendment "A" (S-41) replaced the bill. It proposed to clarify that uninsured motor vehicle coverage on commercial automobile insurance policies is not subject to the requirement for private passenger automobile insurance that uninsured coverage equal the limits for liability insurance on the policy unless the insured expressly rejects equal or higher limits of coverage. The amendment also proposed to require that commercial policies maintain uninsured motor vehicle coverage in an amount not less than the minimum limits for bodily injury liability pursuant to the Maine Revised Statutes, Title 29-A, section 1605, subsection 1.