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

Staff:
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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, <u>History and Final Disposition of Legislative Documents</u>, 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.*

LD 816 **An Act to Clarify Discounts to Nonsmokers in the Health Insurance Premium Rates** **ONTP**

Sponsor(s)	Committee Report	Amendments Adopted
NUTTING J	ONTP	
MARRACHE		

LD 816 proposed to clarify the ability of insurers to offer premium discounts based on the smoking status of insureds.

See related bill LD 1745.

LD 854 **An Act to Amend the Maine Insurance Code to Adopt Statutory Insurance Accounting Principles** **PUBLIC 72**

Sponsor(s)	Committee Report	Amendments Adopted
GLYNN	OTP-AM	H-79
LAFOUNTAIN		

LD 854 was submitted on behalf of the Department of Professional and Financial Regulation.

LD 854 proposed to modernize the laws governing accounting standards for insurers by adopting the statutory insurance accounting practices that have been codified by the National Association of Insurance Commissioners, or NAIC, on a nationwide basis effective January 1, 2001. The bill proposed to repeal conflicting or superfluous provisions of the chapter of the Maine Insurance Code relating to valuation of insurers' assets and liabilities and update the pertinent cross-references. The bill also proposed to correct an error in the definition of "subsidiary" in the holding company law and incorporate a change to the transactions-with-affiliates section that was inadvertently omitted from prior accreditation legislation.

Enacted law summary

Public Law 2001, chapter 72 modernizes the laws governing accounting standards for insurers by adopting the statutory insurance accounting practices that have been codified by the National Association of Insurance Commissioners, or NAIC, on a nationwide basis effective January 1, 2001. The law repeals conflicting or superfluous provisions of the chapter of the Maine Insurance Code relating to valuation of insurers' assets and liabilities and updates the pertinent cross-references. It also corrects an error in the definition of "subsidiary" in the holding company law and incorporates a change to the transactions-with-affiliates section that was inadvertently omitted from prior accreditation legislation.