

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
120TH LEGISLATURE**

**FIRST REGULAR SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
APPROPRIATIONS AND FINANCIAL AFFAIRS**

**AUGUST 2001**

**MEMBERS:**

**Sen. Jill M. Goldthwait, Chair  
Sen. Mary R. Cathcart  
Sen. S. Peter Mills**

**Rep. Randall L. Berry, Chair  
Rep. Richard H. Mailhot  
Rep. Paul L. Tessier  
Rep. Joseph C. Brannigan  
Rep. David M. Etnier  
Rep. Sharon Libby Jones  
Rep. Richard A. Nass  
Rep. Tom J. Winsor  
Rep. Irvin G. Belanger  
Rep. Richard W. Rosen**

**Staff:**

**J. Timothy Leet, Senior Legislative Analyst**

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MEMORANDUM

**To:** Members, Joint Standing Committee on Appropriations and Financial Affairs

**From:** J. Timothy Leet, Senior Analyst

**Date:** August 8, 2001

**Re:** Bill Summaries, 120th Legislature, 1st Regular Session

Enclosed please find a summary of all bills, resolves and Constitutional resolutions that were considered by the Joint Standing Committee on Appropriations and Financial Affairs during the 1st Regular Session of the 120th Legislature. The summary describes each bill and relevant amendments as well as the final action. Also included is a statistical summary of bill activity by the committee. Please note the effective date for all non-emergency legislation enacted in the 1st Regular Session (unless a later date is specified in a particular law) is September 21, 2001. Joint orders are effective when passed.

The document is organized for convenient reference to information on bills handled by the committee this session. It is organized by bill (LD) number and two indices are located at the back of the document that group bills by subject and by LD number. 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 the 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
ONT P.....	Ought Not To Pass report accepted
OT P ND.....	Committee report Ought To Pass In New Draft
OT P 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

A complete summary of bills for all committees will be available in the very near future. Copies will be on file in the Law and Legislative Reference Library and Senate and House offices.

I hope you find this information useful. If you have any questions or suggestions, please do not hesitate to contact this office.

Best wishes for an enjoyable interim.

**LD 915**

**An Act to Amend the Maine Insurance Guaranty Association Act**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON MAYO		S-240

LD 915 proposed to make the following changes to the Maine Insurance Guaranty Association Act:

Exempt additional types of insurance from being subject to the Act.

Exclude first-party claims by an insured whose net worth exceeds \$10,000,000.

Amend the definition of "insolvent insurer" to clarify that it applies to that group of insurers defined as "member insurers," and amends the definition to mean a member insurer against whom a final order of liquidation has been entered.

Enact a definition of "person" to mean any individual or legal entity, including a governmental entity.

Set a \$10,000 cap on a claim for the return of an unearned premium.

Provide that claims resulting from insolvency must be filed no later than 18 months after the insolvency.

Provide that the Maine Insurance Guaranty Association may intervene as a party in a case involving an insolvent insurer.

1. Provide a premium tax offset for an insurer that pays an assessment pursuant to the Act.

**Committee Amendment "A" (S-240)** proposed to make the following changes to the bill:

Exclude from the definition of covered claims any first party claims of an insured whose net worth exceeds \$25,000,000.

Change the cap on unearned premium to \$25,000.

Establish a bar date for filing covered claims of the earlier of 24 months after the order of liquidation or the final date set by a court and allows the association to accept the late filed claims as covered claims for good cause.

Require that notification of an insolvency to insureds and other interested parties by the association include prominent notice of the date by which a claim must be filed with the association.

Clarify that the premium offset applies to deficiency assessments under Maine Revised Statutes, Title 24-A, Section 4440-A.

Clarify the applicability provision.

The amendment also added a fiscal note to the bill.

## Joint Standing Committee on Appropriations and Financial Affairs

LD 915 was originally referred to the Joint Standing Committee on Banking and Insurance. When removed from the Appropriations Table, the bill was referred to the Joint Standing Committee on Appropriations and Financial Affairs and carried over to Second Regular Session.