

# 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  
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Rep. Arthur F. Mayo III  
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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 1400 proposed to establish a health coverage purchasing pool to make health coverage available through the power of a group purchase to residents of the State who are unable to obtain or to afford coverage. The bill would have required covered persons to pay premiums to cover the costs of their coverage and any administrative costs. The bill proposed to require the Commissioner of Human Services to select the health coverage plan to be offered through the purchasing pool and require the Commissioner to provide any necessary administrative services. The bill would have required that at least one health plan offered by the purchasing pool have an annual deductible of \$10,000. The purchasing pool is exempt from the prohibition on forming a group for the sole purpose of purchasing insurance provided in the Maine Revised Statutes, Title 24-A, section 2808. The bill also proposed to require that any initial funding required for the establishment of the purchasing pool be allocated from the Fund for a Healthy Maine.

**LD 1402**

**An Act to Clarify and Update the Security Requirements for  
Employers Self-insured for Workers' Compensation Liabilities**

**PUBLIC 224**

<u>Sponsor(s)</u> MATTHEWS EDMONDS	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-246
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LD 1402 was submitted on behalf of the Department of Professional and Financial Regulation.

LD 1402 proposed to change the security and assessment provisions for self-insured employers in order to address financial risks currently borne by injured workers and self-insured employers as a result of the current structure of the Maine Self-Insurance Guarantee Association assessment mechanism.

It proposed to change the basis for calculating the minimum security requirements to an actuarially determined liability in place of the case reserves that are used under current law and limit the unsecured liability that may be authorized under the working capital offset to \$10,000,000, a level equal to 5 times the Maine Self-Insurance Guarantee Association funding cap. The bill also proposed to authorize the Maine Self-Insurance Guarantee Association to levy assessments in excess of the otherwise-applicable limits when necessary to avoid a default in benefit payments to injured workers.

**Committee Amendment "A" (H-246)** proposed to clarify the cap on assessments that may be made by the Maine Self Insurance Guarantee Association upon individual and group self-insurers for workers' compensation.

## Joint Standing Committee on Banking and Insurance

### *Enacted law summary*

Public Law 2001, chapter 224 changes the security and assessment provisions for self-insured employers in order to address financial risks currently borne by injured workers and self-insured employers as a result of the current structure of the Maine Self-Insurance Guarantee Association assessment mechanism.

The law changes the basis for calculating the minimum security requirements to an actuarially determined liability in place of the case reserves that are used under current law and limits the unsecured liability that may be authorized under the working capital offset to \$10,000,000, a level equal to 5 times the Maine Self-Insurance Guarantee Association funding cap. The law also authorizes the Maine Self-Insurance Guarantee Association to levy assessments in excess of the otherwise-applicable limits when necessary to avoid a default in benefit payments to injured workers.

**LD 1420**

**An Act to Require Employers to Offer Benefits to Cohabitants of Employees**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MENDROS	ONTP MAJ OTP-AM MIN	

LD 1420 proposed to require that if an employer extends employee benefits to someone other than the employee or spouse or dependent of the employee then an employer must offer all employees employee benefits for the benefit of an individual with whom the employee cohabitates, regardless of the gender of the individual or the relationship between the employee and the individual.

**Committee Amendment "A" (H-594)** was the minority report of the committee and replaced the bill. The amendment proposed to require that health insurers make available benefits to group policyholders' coverage for cohabitants of employees covered under group health insurance plans to the same extent and under the same terms and conditions as benefits are provided to spouses or dependents of employees. The amendment would require the coverage to be offered for cohabitants regardless of gender or the relationship between the employee and the employee's cohabitant and limit coverage to one cohabitant. The amendment would not require that employers purchase coverage, but if an employer chooses this coverage, then the coverage must be offered to all employees eligible for coverage under the group policy. The amendment does not affect the decision of an employer to offer family coverage to employees.

The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.