

# 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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**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

Part B of the law clarifies certain ambiguous language in the Revised Maine Securities Act. Part B updates a current securities exemption for companies where information about the company is publicly available through a nationally recognized securities manual. The exemption language proposed is model language recommended by the North American Securities Administrators Association. Part B updates the securities exemptions for certain domestic issuers so that they apply to limited partnerships and limited liability companies organized under the laws of this State or any issuer determined by the securities administrator to have its principal place of business in the State.

**LD 1638**

**An Act to Reform Health Care in the State**

**ONTP**

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1638 proposed to do the following.

1. In Part A, the bill authorizes health insurance carriers to vary premium rates up to 10% above or below the community rate filed by a carrier based on age and eliminates the ability of carriers to vary the premium rate based on smoking status, geographic area or occupation and industry for individual and small group health plans. The bill also authorizes a carrier to vary the premium rate up to 30% above or below the community rate based on the ability of an individual to maintain a healthy lifestyle. The bill identifies the factors that may be considered by a carrier in determining whether an individual maintains a healthy lifestyle as smoking status, obesity, alcohol or substance abuse and the management of chronic conditions such as diabetes and high blood pressure.
2. In Part B, the bill directs the Department of Human Services to apply for a waiver from the federal Department of Health and Human Services, Health Care Financing Administration to allow comprehensive coverage under Medicaid for residents of the State with an income up to 100% of the official federal nonfarm poverty line.
3. In Part C, the bill establishes a tax credit for employers that provide health benefits to their employees and their dependents. The bill allows a credit of 10% of the amount paid for health benefits in excess of \$1,000 for each qualifying employee under a health benefit plan for the taxable year. The bill defines a "qualifying employee" as one whose hourly wage is below 1/50th of the State's average annual weekly wage.
4. In Part D, the bill establishes the Standard Small Group Health Plan Commission and directs the commission to define by rule a minimum standard small group health plan. The bill requires that the plan's premium not exceed 10% of the State's average annual wage.
5. In Part E, the bill bans smoking and other tobacco use by students, school employees and the public in school buildings and on school grounds.