

# 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*

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*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](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 F requires the Department of Professional and Financial Regulation to submit a report to the Joint Standing Committee on Banking and Insurance by January 15, 2002 on the status of privacy legislation and rules in other states in response to the federal Gramm-Leach-Bliley Act.

**LD 1652**                      **An Act to Promote Healthy Lifestyles and to Reallocate the Cost of Health Care Insurance**                      **ONTP**

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

LD 1652 proposed to make the following changes relating to the rating practices of health carriers offering individual and small group health plans.

1. It eliminates the requirement that health insurers may vary the rates for individual and small group health plans only within certain rating bands based on age, smoking status, occupation or industry and geographic area.
2. It removes the prohibition on varying premium rates due to the health status of individuals or small group members and allows the rates to vary depending on the ability of the individual or small group members to maintain a healthy lifestyle. The highest rates that may be charged for individuals or small group members with poor health status is limited to 150% of the lowest rate.
3. It allows carriers to vary premium rates based on the smoking status of the individual or small group members.

**LD 1703**                      **An Act to Ensure Access to Health Insurance**                      **PUBLIC 347**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUDLEY ABROMSON	OTP-AM    MAJ ONTP        MIN	H-370

LD 1703 proposed to require health carriers to offer policies providing coverage for domestic partners of health plan members under the same terms and conditions as coverage for spouses of health plan members. A domestic partner is defined as a person who is legally domiciled in the health plan member's household and who is not legally married to another individual.

**Committee Amendment "A" (H-370)** was the majority report of the committee and replaced the bill. It proposed to require health carriers to offer policies providing coverage for domestic partners of health plan members under the same terms and conditions as coverage for spouses of health plan members. It clarified that the offer of domestic partner benefits is made to the group policyholder, not to each member covered under a group policy.

Domestic partners are defined as persons who are legally domiciled with one another for at least 12 months, not legally married to or legally separated from another individual, mentally competent and are each other's sole domestic partner and intend to remain so. The amendment proposed to clarify that carriers may require domestic

## Joint Standing Committee on Banking and Insurance

partners to sign an affidavit attesting that the definition of a domestic partner is met and that, after terminating a domestic partnership, a health plan member may not enroll another domestic partner for at least 12 months.

The amendment also proposed to allow carriers to provide domestic partner benefits to policyholders that do not comply with the requirements of the bill. The provisions would apply to all policies and contracts issued or renewed on or after January 1, 2002.

### *Enacted law summary*

Public Law 2001, chapter 347 requires health carriers to offer policies providing coverage for domestic partners of health plan members under the same terms and conditions as coverage for spouses of health plan members. Carriers are required to make the offer of coverage to the individual or group policyholder, not to each member covered under a group policy. Under the law, the cost of providing the domestic partner benefits must be paid by the policyholder or member covered under the policy.

Further, the law allows carriers to negotiate policies providing domestic partner benefits that do not comply with the requirements of chapter 347 if the policyholder rejects the offer of coverage in accordance with chapter 347.

Public Law 2001, chapter 347 defines domestic partners as persons who have been legally domiciled with one another for at least 12 months, who are not legally married to or legally separated from another individual, who are mentally competent and who are each other's sole domestic partner and intend to remain so. The law allows carriers to require domestic partners to sign an affidavit attesting that the definition of domestic partner has been met as a condition providing the benefit. The law prohibits a health plan member from enrolling another domestic partner until at least 12 months after terminating a prior domestic partner relationship.

Public Law 2001, chapter 347 requires that carriers make the offer of coverage for domestic partner benefits in all individual and group policies issued or renewed on or after January 1, 2002.

**LD 1729**

**An Act to Amend the Maine Banking Code**

**PUBLIC 211**

<u>Sponsor(s)</u> O'NEIL LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-247
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LD 1729 was submitted on behalf of the Department of Professional and Financial Regulation.

LD 1729 proposed to make several technical changes to the Banking Code.

1. It amends the confidential financial records law to specifically permit a financial institution to respond to a request from the Department of Labor.
2. It amends the current formula for assessments paid by nondepository trust companies, establishing a base rate that is consistent with assessments paid by depository institutions and the ability for the superintendent to change the rate or further define fiduciary assets under management through rulemaking.