

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

*State Of Maine  
120th Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Banking and Insurance*

*May 2002*

**Members:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Mary E. Small*

*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:**

*Colleen McCarthy Reid, Legislative Analyst*

*Office of Policy and Legal Analysis*

*13 State House Station*

*Augusta, ME 04333*

*(207) 287-1670*



**Maine State Legislature**  
**OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013  
Telephone: (207) 287-1670  
Fax: (207) 287-1275

**120th Legislature**  
**Second Regular Session**

**Summary Of Legislation Before The Joint Standing Committees**  
**May 2002**

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 arranged alphabetically by committee name 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:

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
PASSED	Joint Order passed in both bodies
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 Second Regular Session (unless otherwise specified in a particular law) is July 25, 2002.

**Patrick T. Norton, Interim Director**  
**Offices located in Room 215 of the Cross Office Building**

## Joint Standing Committee on Banking and Insurance

Public Law 2001, chapter 677 requires the board to contract with a health insurer, health maintenance organization or the Department of Human Services to provide coverage under the plan through a comprehensive managed care plan, indemnity plan or both. The law requires the board to solicit bids from qualified bidders through a request for proposal process and to award the contract by October 1, 2003. In the event that the Department of Human Services is awarded the bid, the board must notify the Legislature. Coverage under the Maine Small Business Health Coverage Plan must be available beginning January 1, 2004.

Public Law 2001, chapter 677 requires that the plan seek to maximize federal matching funds under the Medicaid program to subsidize coverage for under the plan. The maximum contribution for employees covered under the plan who are categorically-eligible for Medicaid is limited to the cost-sharing requirements of the Medicaid program. The law also requires the Department of Human Services to apply for any federal waivers necessary to implement the plan.

**LD 1804**

### **An Act to Improve the Accessibility and Affordability of Health Care Benefits in the State**

**PUBLIC 570**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	OTP-AM	S-464

LD 1804 was carried over from the First Regular Session and proposed to:

1. Amend and relax the criteria for self-funded multiple employer welfare arrangements by and among certain businesses;
2. Establish a mechanism by which certain small businesses in the same geographic region can form an association for the purpose of providing self-funded health benefit plans to employees and their dependents; and
3. Ensure that employees participating in such self-funded arrangements are protected by imposing certain safeguards, including oversight by the Superintendent of Insurance.

**Committee Amendment "A" (S-464)** replaced the bill. It proposed to amend the provisions governing multiple-employer welfare arrangements to allow an arrangement based on geographic association. Employers with 100 or fewer employees and licensed hospitals located within a 40-mile radius are permitted to form an arrangement to self-fund health insurance coverage with the approval of the Superintendent of Insurance. These arrangements are required to meet the same statutory standards as other multiple-employer welfare arrangements.

The amendment also proposed to change the provision relating to actuarial reports by making the filing of an actuarial report at least once every 2 years mandatory for the first 4 years. After 2 reports have been filed, an arrangement may apply to the superintendent for a waiver from the mandatory filing requirement. The amendment also added a fiscal note to the bill.

#### ***Enacted law summary***

## Joint Standing Committee on Banking and Insurance

Public Law 2001, chapter 570 amends the provisions governing multiple-employer welfare arrangements to allow an arrangement based on geographic association. Employers with 100 or fewer employees and licensed hospitals located within a 40-mile radius are permitted to form an arrangement to self-fund health insurance coverage with the approval of the Superintendent of Insurance. These arrangements are required to meet the same statutory standards as other multiple-employer welfare arrangements.

The law also changes the provision relating to actuarial reports filed by multiple employer welfare arrangements by making the filing of an actuarial report at least once every 2 years mandatory for the first 4 years. After 2 reports have been filed, an arrangement may apply to the superintendent for a waiver from the mandatory filing requirement.

**LD 1835**

**An Act to Amend the Loan Broker Law**

**PUBLIC 509**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL LAFOUNTAIN	OTP-AM	H-789

LD 1835 proposed to amend the laws governing loan brokers or credit services organizations to apply consumer protections to transactions involving brokers who are paid by lenders or other creditors to arrange credit transactions.

**Committee Amendment "A" (H-789)** replaced the bill. It proposed to clarify that credit services organization registration requirements do not apply to certain business entities. The amendment would exempt supervised financial organizations and the affiliates, employees or agents of supervised lenders who are not compensated by the consumer. The amendment also would exclude closing agents, telemarketers and automobile dealers that do not accept compensation from the consumer for the provision of credit services. The amendment also proposed to clarify that an employee of a person or entity excluded from the registration requirements is not required to register as a credit services organization unless the employee is being compensated for the services by the consumer.

The amendment also added a fiscal note to the bill.

### ***Enacted law summary***

Public Law 2001, chapter 509 amends the laws governing loan brokers, or credit services organizations, to apply consumer protections to transactions involving brokers who are paid by lenders or other creditors to arrange credit transactions.

The law clarifies that credit services organization registration requirements do not apply to certain business entities. These include supervised financial organizations and the affiliates, employees or agents of supervised lenders who are not compensated by the consumer, closing agent, telemarketers or automobile dealers that do not accept compensation from the consumer for the provision of credit services. The law also clarifies that an employee of a person or entity excluded from the registration requirements is not required to register as a credit services organization unless the employee is being compensated for the services by the consumer.