

# 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 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.

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

provisions of the Maine Insurance Code. The amendment also proposed to authorize the approval of pilot projects for multistate health insurance products by the superintendent under the same conditions. The provision would be repealed January 1, 2008. The amendment also adds a fiscal note to the bill.

Committee Amendment "A" was adopted in the Senate, but was not adopted in the House.

**Committee Amendment "B" (H-966)** is the minority report of committee and replaced the bill. The amendment proposed to authorize the Superintendent of Insurance to approve a pilot project allowing a carrier to offer a health plan meeting the exception to the travel distance standards in Bureau of Insurance Rule Chapter 850 if the plan satisfied quality standards and cost indicators adopted by rule by the Superintendent of Insurance. The amendment would limit the distances that enrollees may be required to travel for services to no more than 50% above the current limit for that particular type of service. Health plans offered under an approved pilot project must comply with all other provisions of the Maine Insurance Code. The amendment also proposed to authorize the approval by the superintendent of pilot projects for multistate health insurance products under the same conditions. The provision would be repealed January 1, 2005. The amendment also added an appropriation and an allocation section and a fiscal note to the bill.

Committee Amendment "B" was not adopted.

**Senate Amendment "A" to Committee Amendment "A" (S-505)** proposed to define the permissible pilot project area as Sagadahoc County and northeast Cumberland County only. Senate Amendment "A" to Committee Amendment "A" was not adopted.

### LD 1976

#### An Act to Modify Investment-related Insurance Company Provisions of the Maine Insurance Code

PUBLIC 524

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM	H-812 S-439 LAFOUNTAIN

LD 1976 proposed to permit property, casualty and nonlife insurers, upon prior approval of the Superintendent of Insurance, to invest more than 10% of their assets in qualifying indexed mutual funds managed by one investment firm.

**Committee Amendment "A" (H-812)** replaced the bill. The amendment proposed to permit property and casualty and life and health insurers to invest up to 20% of their assets in qualifying index mutual funds with the prior approval of the Superintendent of Insurance. The amendment also proposed to make technical corrections to the admitted assets and valuation provision to clarify the intent of Public Law 2001, chapter 72. The amendment also added a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-439)** proposed to repeal and replace the provision to clarify the permissible criteria used by the Superintendent of Insurance to recognize admitted assets and to value assets and liabilities.

### *Enacted law summary*

## Joint Standing Committee on Banking and Insurance

Public Law 2001, chapter 524 permits property and casualty and life and health insurers to invest up to 20% of their assets in qualifying index mutual funds with the prior approval of the Superintendent of Insurance. The law also clarifies the provision outlining the criteria used by the Superintendent of Insurance to recognize admitted assets and to value assets and liabilities of insurance companies.

**LD 1999**

**An Act to Clarify Recent Amendments to the Maine Consumer Credit Code**

**PUBLIC 482  
EMERGENCY**

Sponsor(s)  
O'NEIL

Committee Report  
OTP

Amendments Adopted

LD 1999 proposed to clarify that if a deferral of a first period payment is for an excess of 90 days then no interest or costs may accrue in connection with the entirety of that deferral. If a deferral is for 90 days or less, then interest may accrue in connection with such a deferral. This bill would clarify the intent of Public Law 2001, chapter 82, which was enacted in the First Regular Session of the 120th Legislature.

### *Enacted law summary*

Public Law 2001, chapter 482 clarifies the intent of Public Law 2001, chapter 82, which was enacted in the First Regular Session of the 120th Legislature. The law allows interest to accrue in connection with a deferral of a first periodic payment of a loan if the deferral is for 90 days or less. Interest or costs may not accrue in connection with the entirety of a deferral that exceeds 90 days.

Public Law 2001, chapter 482 was enacted as an emergency measure effective February 21, 2002.

**LD 2138**

**Resolve, Regarding Legislative Review of Portions of Chapter 750: Standardized Health Plans, Part II HMO Guidelines, a Major Substantive Rule of the Department of Professional and Financial Regulation**

**RESOLVE 118  
EMERGENCY**

Sponsor(s)

Committee Report  
OTP

Amendments Adopted

LD 2138 proposed to authorize final adoption of portions of Chapter 750: Standardized Health Plans, Part II HMO Guidelines, a major substantive rule of the Department of Professional and Financial Regulation.