

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

July 2003

Members:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass

Sen. Arthur F. Mayo III

Rep. Christopher P. O'Neil, Chair

Rep. Marilyn E. Canavan

Rep. Joseph C. Perry

Rep. Bonita J. Breault

Rep. Anne C. Perry

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. Lois A. Snowe-Mello

Rep. Michael A. Vaughan

Rep. Richard G. Woodbury

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Maine State Legislature



Office Of Policy And Legal Analysis Office Of Fiscal And Program Review

121st Maine Legislature First Regular Session

Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint 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).

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:

<i>CARRIED OVER PURSUANT TO HP 1212</i>	<i>Bills carried over to the 2nd Regular Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP-ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

David C. Elliott, Director
Offices located in Room 215 of the Cross Office Building

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LD 1190 has been carried over to the Second Regular Session, although a related provision regarding the establishment of a high-risk pool was incorporated into Public Law 2003, chapter 469. See summary of LD 1611.

LD 1200 **An Act To Allow an Appeal for Cancellation of Commercial Insurance** **ONTP**

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

LD 1200 proposed to bring commercial insurance contracts under the property insurance cancellation control laws.

LD 1239 **An Act Concerning Universal Health Insurance** **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL LAFOUNTAIN		

In Part A, LD 1239 proposes to establish the Maine Universal Health Care Plan. It establishes the Maine Universal Health Care Agency as an independent agency to administer the plan. Under the plan, enrollees are provided health care coverage after the policy limits of their primary health care policy have been reached. Coverage under the plan is contingent upon the enrollee's having secured coverage for primary and preventive care either individually or through the enrollee's employer. The primary health care policy must be approved by the Bureau of Insurance.

In Part B, the bill proposes to establish a new nonprofit hospital and medical service organization to compete with other carriers in Maine's health insurance market. The bill requires that the organization be organized in accordance with the Maine Revised Statutes, Title 24.

In Part C, the bill proposes to establish a 5% payroll tax on wages and earnings, including self-employed earnings, and dedicates that tax revenue to the Maine Universal Health Care Fund.

LD 1347 **An Act To Clarify the Authority of the Attorney General To Seek Restitution and To Require the Superintendent of Insurance To Investigate Certain Insurance Practices** **PUBLIC 310**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT O'NEIL	OTP-AM	S-155

LD 1347 proposed to clarify that, in those instances when the Superintendent of Insurance has notified the Attorney General of a violation of the insurance laws, the Attorney General is required to institute actions against the violator, including actions requiring restitution. It also proposed to require the superintendent to investigate and report on certain insurance practices, including changes made in underwriting standards, product design and benefit structure of health, life, personal and commercial insurance products. The superintendent is required to submit the

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report and any recommendations to the Attorney General and the Joint Standing Committee on Insurance and Financial Services.

Committee Amendment "A" (S-155) proposed to clarify that, in those instances when the Superintendent of Insurance has notified the Attorney General of a violation of the insurance laws, the Attorney General is required to institute actions against the violator, including actions seeking restitution.

This amendment also proposed to require the superintendent to prepare a report on market conditions and trends for property and casualty insurance in this State, particularly homeowners' insurance and commercial coverage for small businesses. The superintendent is required to hold 4 public hearings throughout the State. The amendment requires the superintendent to submit the report to the Joint Standing Committee on Insurance and Financial Services no later than January 5, 2004.

Enacted Law Summary

Public Law 2003, chapter 310 clarifies that, in those instances when the Superintendent of Insurance has notified the Attorney General of a violation of the insurance laws, the Attorney General is required to institute actions against the violator, including actions seeking restitution.

Public Law 2003, chapter 310 also requires the Superintendent of Insurance to prepare a report on market conditions and trends for property and casualty insurance in this State, particularly homeowners' insurance and commercial coverage for small businesses. The Superintendent is required to submit the report to the Joint Standing Committee on Insurance and Financial Services no later than January 5, 2004.

LD 1353 An Act To Ensure Women's Health Care Coverage for All Maine CARRIED OVER Women

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON J EDMONDS		

LD 1353 proposes to ensure that Maine's women's health care coverage insurance mandates protect women living in Maine who are covered by an insurance certificate of coverage issued by an insurance carrier located in another state. Part A makes these changes in the section of the insurance code regulating nonprofit hospital and medical service organizations. Part B makes these changes in the section of the insurance code regulating individual health insurance policies. Part C makes these changes in the section of the insurance code regulating group health insurance policies. Part D makes these changes in the section of the insurance code regulating health maintenance organizations in Maine.

As required by Title 24-A Maine Revised Statutes Section 2752, the Joint Standing Committee on Insurance and Financial Services has requested that a review and evaluation of the proposed expansion of mandated health insurance benefits to those covered by an insurance certificate issued by an out-of-state carrier be completed by the Bureau of Insurance over the interim. LD 1353 has been carried over to the Second Regular Session.