

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*Second Regular Session and  
Second Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Insurance and Financial Services*

*May 2004*

**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  
Second Regular Session and  
Second Special 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/billsumm.htm](http://www.state.me.us/legis/opla/billsumm.htm)).

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
- 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 that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

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

*Joint Standing Committee on Insurance and Financial Services*

a maximum rate differential on a ratio of 1.5 to 1. The provisions relating to guaranteed issuance and community rating take effect February 1, 2005. Committee Amendment "A" was not adopted.

**LD 1239**

**An Act Concerning Universal Health Insurance**

**ONTP**

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

LD 1239, which was carried over from the First Regular Session, proposed to establish the Maine Universal Health Care Plan and the Maine Universal Health Care Agency, as an independent agency, to administer the plan. Under the proposed plan, enrollees are provided health care coverage after the policy limits of their primary health care policy have been reached. Coverage would be 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. The bill proposed to establish a 5% payroll tax on wages and earnings, including self-employed earnings, and dedicate that tax revenue to the Maine Universal Health Care Fund.

LD 1239 also proposed to establish a new nonprofit hospital and medical service organization to compete with other carriers in Maine's health insurance market. The bill would require that the organization be organized in accordance with the Maine Revised Statutes, Title 24.

**LD 1353**

**An Act To Ensure Women's Health Care Coverage for All Maine Women**

**PUBLIC 517  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON J EDMONDS	OTP-AM	H-648

LD 1353, which was carried over from the First Regular Session, proposed to ensure that Maine's women's health care coverage insurance mandates provide coverage to 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.

**Committee Amendment "A" (H-648)** replaced the bill. Part A proposed to extend the application of certain mandated health insurance benefits to certificates providing coverage to Maine residents that are issued by an out-of-state group health plan. These mandated benefits are coverage for newborns from the moment of birth, coverage for screening Pap tests, coverage for a self-referred annual gynecological exam and coverage for diabetic equipment and supplies. Part A would apply to all policies, contracts and certificates issued or renewed on or after July 1, 2004.

Part B of the amendment proposed to clarify the application of currently mandated benefits to certificates.

## *Joint Standing Committee on Insurance and Financial Services*

### ***Enacted Law Summary***

Public Law 2003, chapter 517 extends the application of certain mandated health insurance benefits to Maine residents covered by certificates that are issued by an out-of-state group health plan. These mandated benefits are coverage for newborns from the moment of birth, coverage for screening Pap tests, coverage for a self-referred annual gynecological exam and coverage for diabetic equipment and supplies. The law applies to all policies, contracts and certificates issued or renewed on or after July 1, 2004.

Public Law 2003, chapter 517 also clarifies the application of currently mandated benefits to certificates.

Public Law 2003, chapter 517 was enacted as an emergency measure effective February 19, 2004.

**LD 1601**

**An Act To Authorize the Superintendent of Insurance To Establish  
a Fair Access to Insurance Requirements Plan**

**ONTP**

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

LD 1601, which was carried over from the First Regular Session, proposed to authorize the Superintendent of Insurance to establish a Fair Access to Insurance Requirements Plan, or FAIR Plan, under certain circumstances, if the superintendent determines, after a public hearing, that in all or any part of the State residential property insurance is not reasonably available in the voluntary market to a substantial number of insurable risks. The FAIR Plan would be developed and administered by the FAIR Plan Association, a nonprofit association appointed by the superintendent that includes members from the insurance industry and the public. The FAIR Plan Association would develop and administer a program for participation by all licensed insurers writing residential property insurance in this State that would make residential property insurance available to applicants in underserved areas whose property is insurable in accordance with reasonable underwriting standards but who, after diligent efforts, are unable to procure such insurance through the voluntary market, as evidenced by 2 declinations from insurers actually writing residential property insurance in this State.

See related bill, LD 1853, which was enacted as Public Law 2003, chapter 671 and included a provision to authorize the Superintendent of Insurance to establish a mandatory market assistance program for residential property insurance..