

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
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

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 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

Joint Standing Committee on Insurance and Financial Services

LD 1363

An Act To Create Lower-cost Health Insurance Options

ONTP

<u>Sponsor(s)</u> WOODBURY MAYO	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
---------------------------------------	---------------------------------	---------------------------

LD 1363 proposed to require health insurance carriers to create an alternate version of each individual and group health coverage plan. The alternate version of each plan would have the identical coverages of the primary plan except that additional deductibles and patient cost-sharing would be required. The bill also requires that employers providing health insurance coverage to their employees offer their employees the option of choosing either the primary plan or the alternate plan. To the extent allowed by federal and state law, the bill allows employers to establish medical savings accounts in conjunction with the alternate plan for the purposes of supporting the deductible and coinsurance costs to employees.

LD 1386

Resolve, Regarding Legislative Review of Portions of Chapter 840, Private Purchasing Alliances, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance

**RESOLVE 21
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u> OTP	<u>Amendments Adopted</u>
-------------------	--------------------------------	---------------------------

LD 1386, a resolve, proposed to give legislative approval of portions of Chapter 840, Private Purchasing Alliances, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.

Enacted Law Summary

Resolve 2003, chapter 21 provides for legislative approval of portions of Chapter 840, Private Purchasing Alliances, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.

Resolve 2003, chapter 21 was passed as an emergency measure effective May 15, 2003.

LD 1413

An Act To Clarify Maine Law Relating to Viatical Settlements

PUBLIC 320

<u>Sponsor(s)</u> WOODBURY	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-347
-------------------------------	-----------------------------------	------------------------------------

LD 1413 proposed to replace a reference to the state-chartered and federally chartered financial institutions that are members of the federal reserve system with a reference to institutions whose deposits are insured by the Federal Deposit Insurance Corporation. This change makes state law consistent with the National Association of Insurance Commissioners' model law and allows a greater number of state-chartered financial institutions to manage escrow or trust accounts containing viatical settlement proceeds.

Joint Standing Committee on Insurance and Financial Services

Committee Amendment "A" (H-347) proposed to require the Superintendent of Insurance to convene a working group to develop recommended legislation relating to life settlement contracts and to submit that legislation to the Second Regular Session of the 121st Legislature.

Enacted Law Summary

Public Law 2003, chapter 320 clarifies that any state or federally chartered financial institution whose deposits are insured by the Federal Deposit Insurance Corporation may act as an escrow agent on accounts containing viatical settlement proceeds.

LD 1438 **An Act To Require Disclosure of Benefit Offsets under Disability Insurance Policies** **PUBLIC 321**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	OTP-AM	S-154

Disability income insurance policies routinely provide that benefits payable under a policy will be reduced by amounts received from other sources, including claims under other insurance policies such as workers' compensation or social security disability and retirement benefits. These offsets are not always clearly understood by a prospective insured at the time coverage is purchased or selected. LD 1438 proposed to require a clear, written disclosure of any such offsets at or before the time of application or enrollment to ensure that the prospective insured understands the limitation of any benefits under the policy before deciding whether to purchase coverage.

Committee Amendment "A" (S-154) proposed to replace the bill. With regard to individual policies, the amendment proposed to require that insurers provide a clear, written disclosure of any benefit offsets on the application form or in a separate document. With regard to group policies and contract, the amendment proposed to require insurers to include the notice in any written enrollment material and certificate of coverage intended for distribution to persons eligible for coverage under the policy or contract.

Enacted Law Summary

With regard to individual disability income insurance policies, Public Law 2003, chapter 321 requires that insurers provide a clear, written disclosure of any benefit offsets on the application form or in a separate document. With regard to group policies and contracts, the law requires insurers to include the notice in any written enrollment material and certificate of coverage intended for distribution to persons eligible for coverage under the policy or contract.

LD 1458 **An Act To Amend the Debt Management Services Laws** **PUBLIC 172**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOUGLASS CANAVAN	OTP	

LD 1458 proposed to amend the Nonprofit Debt Management Services Act to clarify that it protects a consumer who pays a fee to have a company negotiate with and arrange installment or reduced payments to creditors, even if