

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

Staff:

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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).

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

LD 1865

Resolve, Regarding Legislative Review of Chapter 755: Health Insurance Classifications, Disclosure and Minimum Standards, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance

**RESOLVE 131
EMERGENCY**

Sponsor(s)

Committee Report
OTP-AM

Amendments Adopted
H-797

LD 1865, a resolve, proposed to provide for legislative review of Chapter 755: Health Insurance Classifications, Disclosure and Minimum Standards, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.

Committee Amendment "A" (H-797) proposed to authorize final adoption of Chapter 755: Health Insurance Classifications, Disclosure and Minimum Standards, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance provided that these specified changes are made.

1. With regard to the definition of preexisting condition exclusion, the look-back period is changed from 12 months to 24 months.
2. With regard to prohibited policy provisions, language is added to clarify that the section is not intended to restrict the use of elimination periods for disability income benefits.
3. With regard to minimum standards for health insurance benefits generally, language is added to permit an insurer to void or contest a policy or deny claims for a sickness first manifested before the effective date of the policy that was fraudulently not disclosed or fraudulently misrepresented in an application for coverage.
4. With regard to minimum standards for health insurance benefits generally, the maximum time period between the date of an accident and the date of loss is shortened from 180 days to 90 days for accidental death and dismemberment benefits and from 90 days to 30 days for disability coverage.
5. With regard to minimum standards for individual disability income protection coverage, the maximum elimination period is changed from 365 days to 730 days in cases of coverage having a benefit period of more than 2 years, and the shortest permissible maximum benefit period is changed from 6 months to 3 months.
6. With regard to specified disease coverage, language is added to provide an exception for lump-sum benefits based on diagnosis of a specified disease.
7. With regard to specified disease coverage, language is added to permit the Superintendent of Insurance to approve different minimum benefits for cancer coverage on an expense-incurred basis or a per diem indemnity basis if the superintendent determines that the minimum benefits are in the interest of the consumer.

The amendment also changed the title of the resolve and clarified the language to reflect that all of Chapter 755 required legislative review.

Joint Standing Committee on Insurance and Financial Services

Enacted Law Summary

Resolve 2003, chapter 131 provides for legislative approval of Chapter 755: Health Insurance Classifications, Disclosure and Minimum Standards, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.

The resolve authorizes final adoption of the rule provided that these specified changes are made.

1. With regard to the definition of preexisting condition exclusion, the look-back period is changed from 12 months to 24 months.
2. With regard to prohibited policy provisions, language is added to clarify that the section is not intended to restrict the use of elimination periods for disability income benefits.
3. With regard to minimum standards for health insurance benefits generally, language is added to permit an insurer to void or contest a policy or deny claims for a sickness first manifested before the effective date of the policy that was fraudulently not disclosed or fraudulently misrepresented in an application for coverage.
4. With regard to minimum standards for health insurance benefits generally, the maximum time period between the date of an accident and the date of loss is shortened from 180 days to 90 days for accidental death and dismemberment benefits and from 90 days to 30 days for disability coverage.
5. With regard to minimum standards for individual disability income protection coverage, the maximum elimination period is changed from 365 days to 730 days in cases of coverage having a benefit period of more than 2 years, and the shortest permissible maximum benefit period is changed from 6 months to 3 months.
6. With regard to specified disease coverage, language is added to provide an exception for lump-sum benefits based on diagnosis of a specified disease.
7. With regard to specified disease coverage, language is added to permit the Superintendent of Insurance to approve different minimum benefits for cancer coverage on an expense-incurred basis or a per diem indemnity basis if the superintendent determines that the minimum benefits are in the interest of the consumer.

Resolve 2003, chapter 131 was enacted as an emergency measure effective April 14, 2004.

LD 1898

An Act To Prohibit Financial Institutions from Requiring a Fingerprint or Thumbprint To Complete a Transaction

ONTP

Sponsor(s)
TWOMEY

Committee Report
ONTP MAJ
OTP MIN

Amendments Adopted

LD 1898 proposed to prohibit a financial institution or check cashing business from requiring a person presenting a check for cash to be fingerprinted or thumbprinted.