

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*First Regular Session and  
First Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Insurance and Financial Services*

*August 2005*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

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 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 organized by committees 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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:

- CARRIED OVER ..... Bill Carried Over to Second Regular Session
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
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 First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

*Joint Standing Committee on Insurance and Financial Services*

**LD 97**

**An Act To Terminate Payments to the Maine Workers' Compensation Residual Market Pool from the Maine Insurance Guaranty Association**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO PERRY A	ONTP	

LD 97 proposed to terminate the obligation of the Maine Insurance Guaranty Association to pay the Maine Workers' Compensation Residual Market Pool quarterly payments, since the last payment was November 15, 2004. These payments were adding \$8,000,000 in costs to lines of insurance other than workers' compensation through the "spillover" insolvency assessment mechanism at a time when the residual market pool was solvent.

**LD 111**

**An Act To Promote Health Insurance Coverage for Employees of Small Businesses**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CURLEY BARTLETT	ONTP MAJ OTP-AM MIN	

LD 111 proposed to give an employee whose coverage under a group policy is terminated the right to maintain coverage under that group policy at the employee's expense for 18 months or convert to an individual policy without evidence of insurability. The bill would apply to group policies covering fewer than 20 employees. The bill also clarifies that the continuation or conversion privilege is not available if the employee's employment is terminated for gross misconduct.

**Committee Amendment "A" (H-213)** is the minority report of the committee. The amendment proposed to remove unnecessary references to the conversion of an individual policy and correct a cross-reference. Committee Amendment "A" was not adopted.

**LD 114**

**An Act To Provide a Mandate-free Health Insurance Policy**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRESSEY SAVAGE	ONTP	

LD 114 proposed to authorize basic care medical plans to provide health insurance with high deductibles and levels of coinsurance. Individuals who have incomes at 200% or below the federal non-farm income poverty level and have no other coverage may purchase the plans. The plans cover hospitalization, prenatal, postnatal and well-baby care, surgery and emergency and outpatient care. The plans are exempt from all state laws mandating insurance coverage of certain health care services or certain health care providers. The plans are subject to provisions relating to community rating, guaranteed issuance and guaranteed renewal for individual health insurance policies. The carriers that offer basic care medical plans are authorized to form a pool to distribute the risk of providing coverage to enrollees.