

MAINE STATE LEGISLATURE

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*State Of Maine
120th Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Banking and Insurance*

August 2001

Members:

*Sen. Lloyd P. LaFountain III, Chair
Sen. I. Joel Abromson
Sen. Neria R. Douglass*

*Rep. Christopher P. O'Neil, Chair
Rep. Benjamin F. Dudley
Rep. Nancy B. Sullivan
Rep. Marilyn E. Canavan
Rep. Lisa T. Marrache
Rep. William J. Smith
Rep. Arthur F. Mayo III
Rep. Kevin J. Glynn
Rep. Florence T. Young
Rep. John M. Michael*

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Maine State Legislature
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120th Legislature
First Regular Session

Summary Of Legislation Before The Joint Standing Committees
August 2001

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. 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:

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 **September 21, 2001**.

David E. Boulter, Director
 Offices Located in the State House, Rooms 101/107/135

Joint Standing Committee on Banking and Insurance

2. It repeals the repealers on the sections of law governing special rate hearings.
3. It enacts requirements regarding rate filings on small group health plans similar to the requirements regarding rate filings on individual health insurance policies.
4. It requires that health maintenance organizations offering individual coverage provide an annual marketing plan to the Department of Administrative and Financial Services, Bureau of Insurance.

Committee Amendment "A" (H-617) replaced the bill. The amendment proposed to require that carriers provide a minimum of 60 days' notice prior to a rate filing or rate increase in individual and group health insurance and Medicare supplement policies. The amendment also would require notice of anticipated rate increases when quoting rates for new business. The amendment also would retain those sections of current law governing special rate hearings for individual health plans by repealing the repealers on those sections of law.

The amendment also added an allocation section and a fiscal note to the bill.

House Amendment "B" to Committee Amendment "A" (H-688) proposed to clarify when a notice is required and when a rate increase may be implemented. The amendment also proposed to remove Medicare supplement insurance from the requirement to provide notices of rate filings and rate increases.

House Amendment "A" to Committee Amendment "A" (H-682) proposed to clarify when a notice is required and when a rate increase is implemented. House Amendment "A" to Committee Amendment "A" was not adopted.

Enacted law summary

Public Law 2001, chapter 432 requires that carriers provide a minimum of 60 days' notice prior to a rate filing or rate increase in individual and group health insurance.

Carriers offering individual health plans are required to provide written notice by first class mail of any proposed increase or change in a proposed rating formula, classification of risks or modification of any proposed rating formula or classification of risks. Individual carriers must also provide notice to policyholders of their right to request a hearing on the proposed rate filing or rate increase as provided under the Maine Insurance Code. Carriers offering group health insurance, except for accidental injury, specified disease, hospital indemnity, disability income, Medicare supplement, long-term care or other limited benefit health insurance, are required only to provide notice of a proposed rate increase. Individual and group health insurance carriers are also required to disclose any anticipated rate increase within 90 days when quoting rates for new business.

Public Law 2001, chapter 432 also retains current law governing special rate hearings on individual health plans.

LD 1041

An Act to Provide Universal Health Insurance Coverage

ONTP

Sponsor(s)
TWOMEY

Committee Report
ONTP

Amendments Adopted

Joint Standing Committee on Banking and Insurance

LD 1041 proposed to establish a universal access health care system that offers choice of coverage through organized delivery systems or through a managed care system operated by the Maine Health Care Agency and channels all health care dollars through a dedicated trust fund.

See related bills LD 543 and LD 1277.

LD 1152 **An Act to Amend the Standard Valuation Law for Life Insurance
and to Restrict Limitation of Liability for Death by Suicide in
Group Life Insurance Policies** **PUBLIC 89**

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

LD 1152 was submitted on behalf of the Department of Professional and Financial Regulation.

The bill proposed to amend the Standard Valuation Law for life insurance by clarifying the confidentiality provisions. It would ensure the ability of the Superintendent of Insurance to maintain the confidentiality of sensitive regulatory information, while allowing the sharing of information with other state, federal and international regulators and law enforcement officials. The bill also proposed to require group life insurance policies issued in the State to contain suicide exclusion clauses that are no more restrictive than clauses allowed under individual life insurance policies issued in the State. The provision would allow companies to exclude coverage for death by suicide occurring within 2 years from the date coverage commences or within 2 years of an increase in coverage but would prohibit an indefinite exclusion of coverage for death by suicide.

Enacted law summary

Public Law 2001, chapter 89 amends the Standard Valuation Law for life insurance by clarifying the confidentiality provisions. It ensures the ability of the Superintendent of Insurance to maintain the confidentiality of sensitive regulatory information, while allowing the sharing of information with other state, federal and international regulators and law enforcement officials.

Public Law 2001, chapter 89 also requires group life insurance policies issued in the State to contain suicide exclusion clauses that are no more restrictive than clauses allowed under individual life insurance policies issued in the State. The provision would allow companies to exclude coverage for death by suicide occurring within 2 years from the date coverage commences or within 2 years of an increase in coverage but would prohibit an indefinite exclusion of coverage for death by suicide.