

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND  
FINANCIAL SERVICES**

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# STATE OF MAINE

123<sup>RD</sup> LEGISLATURE

FIRST REGULAR SESSION

## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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 (or Accepted ONTP report).....	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 non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

# Joint Standing Committee on Insurance and Financial Services

misleading statements on a business card with respect to the business of insurance or the conduct of that person's insurance business.

## Enacted Law Summary

Public Law 2007, chapter 32 prohibits a person from making any untrue, deceptive or misleading statements on a business card with respect to the business of insurance or the conduct of that person's insurance business.

### **LD 416** An Act To Protect Seniors and the Public from Unfair Health Insurance Sales Practices

**PUBLIC 53  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT	OTP-AM	H-29 S-25 SULLIVAN

LD 416 expressly defines certain marketing practices as unfair trade practices when used to sell, solicit or negotiate the purchase of health insurance products. The bill prohibits the use of "cold lead advertising" which is defined as using a method of marketing that fails to conspicuously disclose that a purpose of the marketing is insurance sales solicitation and that contact will be made by an insurer or insurance producer. The bill also prohibits using an appointment to discuss Medicare products or to solicit Medicare products in order to solicit the sale of other types of insurance products. Medicare products are defined in the bill as Medicare Part A, Medicare Part B, Medicare Part C, Medicare Part D, Medicare Advantage and Medicare supplement insurance plans.

#### **Committee Amendment "A" (H-29)**

This amendment replaces the bill. The amendment retains the prohibition on cold lead advertising contained in the bill. It clarifies that insurers and producers may not use an appointment to discuss Medicare products to solicit sales of life insurance, health insurance or annuity products unless requested by a consumer and the products to be discussed are clearly identified to a consumer in writing at least 48 hours in advance of the appointment. The amendment also prohibits door-to-door solicitation of Medicare products prior to receiving an invitation from a consumer.

The amendment also adds an emergency preamble and emergency clause. The amendment adds an effective date of June 1, 2007.

#### **Senate Amendment "A" (S-25)**

This amendment changes the effective date of Committee Amendment "A" from June 1, 2007 to October 1, 2007.

## Enacted Law Summary

Public Law 2007, chapter 53 expressly defines the following solicitation methods used by an insurer or insurance producer as unfair trade practices.

1. The law prohibits the use of cold lead advertising to sell, solicit or negotiate the purchase of health insurance.
2. The law prohibits using an appointment to discuss Medicare products or to solicit Medicare products in order to solicit sales of life insurance, health insurance or annuity products unless the consumer requested the solicitation and the products to be discussed are clearly identified to a consumer in writing at least 48 hours in advance of the appointment.
3. The law prohibits door-to-door solicitation of Medicare products prior to receiving an invitation from a consumer.

# Joint Standing Committee on Insurance and Financial Services

Public Law 2007, chapter 53 was enacted as an emergency measure effective October 1, 2007.

## LD 419 An Act To Restrict the Use of Credit Scoring for Insurance Purposes

DIED BETWEEN  
HOUSES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VALENTINO	OTP-AM MAJ ONTP MIN	H-71

LD 419 prohibits insurers from denying, canceling or refusing to renew personal insurance in whole or in part on the basis of an insured's credit information. The bill also prohibits insurers from considering more than one credit inquiry from mortgage or automobile lenders for inquiries made within 30 days of one another.

The bill requires insurers that use credit reports and credit scores in insurance underwriting to obtain an updated credit report to recalculate an insured's insurance scope and to reunderwrite and rerate the insured. The bill requires insurers to act upon the request of the insured within 30 days of the request, but does not require an insurer to do so more than once every 12 months. The bill provides that any adjustments in the policy premium be made at the time of renewal.

The bill also requires insurers that use credit scores to disclose to insureds that the insured's premium is either higher or lower based upon the insured's credit-based insurance score and notify the insured of that insurance score.

### Committee Amendment "A" (H-71)

This amendment is the majority report of the committee and replaces the bill. The amendment retains the provision in the bill requiring insurers that use credit scores disclose to an insured that the insured's premium is either higher or lower based upon the insured's credit-based insurance score. The amendment removes the other provisions included in the bill.

LD 419 as amended by Committee Amendment "A" was enacted in the House, but failed enactment in the Senate.

## LD 431 An Act To Enable the Dirigo Health Program To Be Self-administered

PUBLIC 447

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CONOVER	OTP-AM MAJ ONTP MIN	H-285 S-309 DIAMOND

LD 431 makes the following changes to the laws governing the Dirigo Health Program.

The bill expands the Dirigo Health Board of Directors from 5 to 9 members and renames it the Board of Trustees of Dirigo Health. The bill requires that 3 voting members of the board have expertise in accounting, banking, securities or insurance and adds the Treasurer of State as an ex officio, nonvoting member. The bill clarifies that 5 members of the board constitute a quorum and that an affirmative vote of 5 members is needed for the board to take action. The bill extends the limitation on personal liability of trustees under the Maine Uniform Trust Code to the trustees of Dirigo Health.

The bill gives authority to Dirigo Health to provide access to health benefits coverage through the Dirigo Health Self-administered Plan after the board evaluates bids for self-administered and fully insured benefits coverage. If the board makes the decision to provide coverage through the self-administered plan, the bill requires the board to report to the joint standing committee of the Legislature having jurisdiction over health insurance matters within 30