

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



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

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

July 2007

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STATE OF MAINE

123RD 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 123rd 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

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 re-rate 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