

MAINE STATE LEGISLATURE

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STATE OF MAINE
126TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

July 2013

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 126th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE.....Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES.....House & Senate disagreed; legislation died
DIED IN CONCURRENCE.....defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX.....chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 126th Legislature is October 9, 2013. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Insurance and Financial Services

LD 1495 An Act To Amend the Laws Pertaining to Employee Health Insurance

PUBLIC 276

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT ALFOND	OTP	

This bill provides that state employee contributions to the cost of the individual health insurance premium and credits for healthy behaviors are based on actual rate of pay rather than projected rate of pay.

Enacted Law Summary

Public Law 2013, chapter 276 provides that state employee contributions to the cost of the individual health insurance premium and credits for healthy behaviors are based on actual rate of pay rather than projected rate of pay.

LD 1508 An Act To Create a Public State Bank

ONTP

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

This bill establishes the Maine Street Bank effective July 1, 2015 except that the bank may not make, purchase, guarantee, modify or hold loans until the bank has adequate capital of at least \$20,000,000. It specifies the purposes of the bank, establishes a board of directors and creates an advisory committee. It allows the bank to accept deposits of public funds, to make, purchase, guarantee, modify or hold certain loans and to serve as a custodian bank. It directs the Treasurer of State to deposit money into the bank. Excess income of the bank is deposited in the Maine Budget Stabilization Fund.

The bill provides for a quarterly examination by the Department of Professional and Financial Regulation, Bureau of Financial Institutions and an audit by the State Auditor every 2 years.

The bill allows counties and municipalities to establish public banks.

The bill directs the Treasurer of State, the Commissioner of Administrative and Financial Services and the Chief Executive Officer of the Finance Authority of Maine to consult with the Attorney General and report to the Joint Standing Committee on Appropriations and Financial Affairs by January 15, 2014 with recommendations to fully implement the bank, including recommendations regarding the merger of the Finance Authority of Maine into the bank. It authorizes the Joint Standing Committee on Appropriations and Financial Affairs to report out a bill to the Second Regular Session of the 126th Legislature.

See related bill, LD 1078, Resolve, To Establish the Task Force on the Creation of a State of Maine Partnership Bank.

LD 1512 An Act To Increase Funding for Start-ups

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ALFOND		

Joint Standing Committee on Insurance and Financial Services

The purpose of this bill is to promote and encourage the growth of Maine small businesses by facilitating the ability of a business to raise capital by selling small amounts of equity to a wider pool of small investors with fewer restrictions.

This bill exempts from existing restrictions regarding registration and advertising an issuer transaction or sale if the issuer transaction or sale meets certain conditions, including:

1. The issuer of the security must be a business entity formed and registered under Maine law;
2. The purchasers of the securities must be Maine residents;
3. The size of the offering may not exceed \$1,000,000 if the issuer has not undergone, and provided documentation from, a financial audit in the previous year;
4. The size of the offering may not exceed \$2,000,000 if the issuer has undergone, and provided documentation from, a financial audit in the previous year;
5. The issuer may not accept more than \$2,000 from any single purchaser unless the purchaser is an accredited investor under rules adopted by the federal Securities and Exchange Commission; and
6. The issuer requires from all purchasers a written acknowledgement that the purchaser assumes the risks associated with the investment.

This bill was carried over to any special or regular session of the 126th Legislature by joint order, H.P. 1145, as amended by H-B (H-580) and H-C (H-582).

LD 1519 An Act To Update the Maine Insurance Code To Maintain Conformance with Uniform National Standards

PUBLIC 238

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WOODBURY GRATWICK	OTP-AM	S-184

This bill amends several provisions of the Maine Insurance Code to incorporate recent amendments to model laws adopted by the National Association of Insurance Commissioners, or NAIC, and to make related technical changes. These amendments maintain the State's compliance with uniform financial solvency standards and with the NAIC's accreditation requirements for state insurance regulators.

Part A amends the insurance holding company laws to conform them to the current version of the relevant NAIC Model Act. It reorganizes provisions governing examinations, confidentiality and proposed change-of-control transactions, incorporating additional disclosure requirements and specific provisions on divestitures of controlling interests. It establishes new reporting requirements, including an enterprise risk report requirement and an own risk and solvency assessment requirement, and amends the review process with respect to disclaimers of affiliation and makes the process applicable to proposed acquisitions of presumptive control. It allows the Superintendent of Insurance to participate in consolidated approval proceedings for multistate transactions and in supervisory colleges, which are temporary or permanent forums for communication and cooperation among the regulators supervising an international insurance holding company system. Part A becomes effective January 1, 2014.

Part B amends the reinsurance laws to conform them to the current version of the NAIC's Credit for Reinsurance Model Act. It makes financially strong reinsurers domiciled in qualifying jurisdictions outside the United States eligible to apply for approval as certified reinsurers, with lower collateral requirements commensurate with their