

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



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

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

May 2016

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# STATE OF MAINE

127<sup>TH</sup> LEGISLATURE

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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 Second Regular Session of the 127<sup>th</sup> 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. An appendix provides a summary of relevant session statistics.

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 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 127<sup>th</sup> Legislature is July 29, 2016. 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***

This bill establishes the Maine Small Business Marketplace. The bill requires employers of more than 10 employees that have not offered their employees a qualified retirement plan in the preceding two years to offer a payroll deposit retirement savings arrangement to their employees to allow contributions to an individual retirement account. The bill also allows small employers with fewer than 10 employees to voluntarily participate in the marketplace. The bill requires the Treasurer of State to administer and oversee the marketplace.

**Committee Amendment "A" (H-555)**

This amendment is the minority report of the committee and replaces the bill. As in the bill, the amendment establishes the Maine Small Business Retirement Marketplace. The amendment provides employers of fewer than 100 employees an opportunity to offer retirement plans that are approved by the marketplace to their employees on a voluntary basis. The amendment also allows sole proprietors and self-employed individuals to voluntarily participate in the marketplace. The amendment requires that the marketplace provide at least two types of retirement plans to eligible employers, an individual retirement account plan that allows an employer to make contributions to participating employees' accounts and a payroll deposit retirement savings arrangement in which an employer does not contribute to an employee's account, and a minimum of two plans available to individual employees, a myRA and a life insurance plan. The amendment requires the Treasurer of State to administer and oversee the marketplace. The amendment also adds an appropriations and allocations section.

**LD 1479      An Act To Create Improved Consumer Protection against Long-term      ONTP  
Care Insurance Premium Rate Increases**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LANGLEY B KUMIEGA W	ONTP	

This bill establishes restrictions on premium rate increases for long-term care insurance policies.

1. It limits the maximum increase in any one year to 25%.
2. It limits premium rates from increasing to a level that results in a cumulative increase of the annual premium exceeding a certain percentage of the insured's initial annual premium based on the insured's age.
3. It restricts the cumulative premium increase over the lifetime of a policyholder to 75%.
4. It restricts premium increases over a five-year period that in the aggregate exceed the limitations based on age.

The bill also requires a long-term care insurance policy issued on or after the effective date of the bill to prominently disclose on the face of the policy a statement that premiums are not guaranteed, a description of the limits on increases established in the bill and a statement that changes in premium rates must be approved by the Superintendent of Insurance. Finally, the bill requires insurers and other entities that have issued long-term care insurance policies to policyholders in this State to provide written notice of the enactment of the bill, including a summary of the provisions and a copy of the law, to the policyholders within 30 days of its enactment.

**LD 1542      An Act To Encourage Maine Employers To Offer and Employees To      PUBLIC 490  
Enroll in Disability Income Protection Plans in the Workplace**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BECK H WHITTEMORE R	OTP-AM ONTP	H-576