

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



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

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

October 2018

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STATE OF MAINE

128TH LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions of the 128th 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 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 dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128th Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. 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 1792 **An Act To Improve Market Stability for Maine Residents Purchasing Individual Health Insurance Coverage** **ONTP**

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

This bill directs the Board of Directors of the Maine Guaranteed Access Reinsurance Association, before proposing a revised plan of operation to resume operations before December 31, 2023, to study and propose a revised plan of operation that may include changes to current law as long as proposed changes are not made that increase the assessments set forth in the Maine Revised Statutes, Title 24-A, section 3957.

LD 1875 **An Act To Amend the Maine Life and Health Insurance Guaranty Association Act** **PUBLIC 382**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP-AM	S-442

This bill amends the Maine Life and Health Insurance Guaranty Association Act to incorporate changes adopted by the National Association of Insurance Commissioners in its 2017 amendments to its Life and Health Insurance Guaranty Association Model Act.

Under the bill, for insolvencies and impairments occurring on and after July 1, 2018, health maintenance organizations are made members of the association and assessments arising out of long-term care insurance business, which are currently allocated entirely to the health insurance account, are divided equally between the life and health insurance industries.

The bill also makes various conforming amendments and technical corrections to the Maine Life and Health Insurance Guaranty Association Act and the Insurance Rehabilitation and Liquidation Law.

The bill allows an insurer that is a member of the Maine Life and Health Insurance Guaranty Association and is not subject to premium taxation to take the tax credit for certain assessments of the association against its income tax liability to this State. An insurer that is a member of the association and is exempt from both premium taxation and income taxation in this State may recoup these assessments by a surcharge on its premiums in an amount reasonably calculated to recoup these assessments over a reasonable period of time, as approved by the Superintendent of Insurance.

Committee Amendment "A" (S-442)

This amendment makes the following technical changes to the bill.

1. It adds a reference to a contract to clarify the application of the exception in the bill to any long-term benefits or health benefits provided through an annuity contract.
2. It clarifies that the exception in current law for obligations that do not arise under the express terms of the policy or contract applies to misrepresentation of annuity contracts.
3. It clarifies the specific provision that provides the guaranty association limits for long-term care insurance.
4. It clarifies that issuers of annuity contracts and health maintenance organizations are members of the guaranty association.