

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

5. It adds a reference to an enrollee for consistency with other provisions in the bill.

Enacted Law Summary

Public Law 2017, chapter 382 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 law, 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 law 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 law 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.

LD 1881

An Act To Authorize the Treasurer of State To Facilitate the Establishment of ABLÉ Accounts for Qualified Persons

**PUBLIC 394
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M WHITTEMORE R	OTP-AM	H-717

Under the federal Achieving a Better Life Experience Act of 2014, also known as the ABLÉ Act of 2014, individuals with disabilities and the families of those individuals may establish federal tax-exempt savings accounts and use the funds from those accounts to pay for the care of the individual with a disability, similar to so-called 529 accounts that allow tax-deferred savings for college expenses. Under federal law, a state may establish ABLÉ Act savings accounts only with the authorization of the state.

The bill authorizes the Treasurer of State to establish the ABLÉ ME Savings Program in compliance with the ABLÉ Act of 2014. The Treasurer of State is authorized to adopt routine technical rules to implement the program, including rules to establish the terms and conditions of the program.

Committee Amendment "A" (H-717)

This amendment adds an emergency preamble and emergency clause to the bill.

Enacted Law Summary

Public Law 2017, chapter 394 authorizes the Treasurer of State to establish the ABLÉ ME Savings Program in compliance with the federal Achieving a Better Life Experience Act of 2014. Under the federal Achieving a Better Life Experience Act of 2014, also known as ABLÉ Act of 2014, individuals with disabilities and the families of those individuals may establish federal tax-exempt savings accounts and use the funds from those accounts to pay for the care of the individual with a disability, similar to so-called 529 accounts that allow tax-deferred savings for college expenses. Under federal law, a state may establish ABLÉ Act savings accounts only with the authorization of the State. The Treasurer of State may adopt routine technical rules to implement the program, including rules to

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establish the terms and conditions of the program. Under federal law, a state may establish ABLE Act savings accounts only with the authorization of the state.

Public Law 2017, chapter 394 was enacted as an emergency measure effective April 18, 2018.

**LD 1888 An Act To Amend the Workers' Compensation Laws Governing
Affiliated Self-insurance Groups**

PUBLIC 401

Sponsor(s)

VOLK A

Committee Report

OTP
ONTP

Amendments Adopted

This bill amends the workers' compensation laws governing self-insurers. It requires a group self-insurer that provides an irrevocable standby letter of credit as security to file with the Superintendent of Insurance a letter of credit and other agreements or documents relating to the employer's reimbursement obligations.

The bill amends the workers' compensation laws governing the participation of employers in a group self-insurance plan. It requires a group self-insurer to maintain an actuarially determined fully funded trust as security for self-insurance, except that the Superintendent of Insurance may authorize an affiliated group self-insurer meeting certain requirements to secure the liabilities of each of its members. It requires that if the status of a group self-insurer is terminated the required security remains subject to the control of the Workers' Compensation Board until claims against the group self-insurer have been discharged.

The bill removes a requirement that reinsurance contracts name the self-insurer as a coinsured with the Maine Self-Insurance Guarantee Association. It also authorizes a member of a group self-insurer and a successor employer of a member to apply for continuing membership in the group self-insurer.

Enacted Law Summary

Public Law 2017, chapter 401 amends the workers' compensation laws governing self-insurers. It requires a group self-insurer that provides an irrevocable standby letter of credit as security to file with the Superintendent of Insurance a letter of credit and other agreements or documents relating to the employer's reimbursement obligations.

The law amends the workers' compensation laws governing the participation of employers in a group self-insurance plan. It requires a group self-insurer to maintain an actuarially determined fully funded trust as security for self-insurance, except that the Superintendent of Insurance may authorize an affiliated group self-insurer meeting certain requirements to secure the liabilities of each of its members. It requires that if the status of a group self-insurer is terminated the required security remains subject to the control of the Workers' Compensation Board until claims against the group self-insurer have been discharged.

The law also removes a requirement that reinsurance contracts name the self-insurer as a coinsured with the Maine Self-Insurance Guarantee Association. It also authorizes a member of a group self-insurer and a successor employer of a member to apply for continuing membership in the group self-insurer.