

MAINE STATE LEGISLATURE

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Date: 3-14-16

(Filing No. S-393)

INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
127TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 605, L.D. 1545, Bill, "An Act To Repeal the Maine Guaranteed Access Reinsurance Association Act"

Amend the bill by striking out the title and substituting the following:

'An Act To Amend the Maine Guaranteed Access Reinsurance Association Act'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 24-A MRSA §3953, sub-§1, as amended by PL 2013, c. 273, §1, is further amended to read:

1. Guaranteed access reinsurance mechanism established. The Maine Guaranteed Access Reinsurance Association is established as a nonprofit legal entity. As a condition of doing business in the State, an insurer that has issued or administered medical insurance within the previous 12 months or is actively marketing a medical insurance policy or medical insurance administrative services in this State must participate in the association. The Dirigo Health Program established in chapter 87 and any other state-sponsored health benefit program shall also participate in the association. Except as provided in section 3962, operations of the association are suspended and the association may not collect assessments as provided in section 3957, provide reinsurance for member insurers under section 3958 or provide reimbursement for member insurers under section 3961 as of the date on which a transitional reinsurance program established under the authority of Section 1341 of the federal Affordable Care Act commences operations in this State ~~through the date the federal program ceases operations in this State~~ until December 31, 2017.

Sec. 2. 24-A MRSA §3962, first ¶, as enacted by PL 2013, c. 273, §4, is amended to read:

This section governs the suspension of operations of the association during the period ~~in which the transitional reinsurance program pursuant to Section 1341 of the federal Affordable Care Act operates in this State~~ of suspension set forth in section 3953, subsection 1 and the authority of the association to conduct certain activities.

COMMITTEE AMENDMENT

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Sec. 3. 24-A MRSA §3962, sub-§3, as enacted by PL 2013, c. 273, §4, is repealed.

Sec. 4. PL 2013, c. 273, §5 is repealed.

Sec. 5. Review of the Maine Guaranteed Access Reinsurance Association.

The Superintendent of Insurance shall review the Maine Guaranteed Access Reinsurance Association as established by the Maine Revised Statutes, Title 24-A, chapter 54-A and the differences between the association and the transitional reinsurance program operating in the State between January 1, 2014 and December 31, 2016 pursuant to the federal Patient Protection and Affordable Care Act and federal regulations adopted pursuant to that Act. Before February 15, 2017, the superintendent shall make a recommendation to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters as to whether the Maine Guaranteed Access Reinsurance Association should resume operations following its suspension pursuant to Title 24-A, section 3953, subsection 1 pursuant to a revised plan of operation or should terminate its operations and dissolve and whether any changes should be made to the statutes governing the association in connection with its continued operation or dissolution. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters may submit a bill relating to the Maine Guaranteed Access Reinsurance Association to the First Regular Session of the 128th Legislature.'

SUMMARY

This amendment replaces the bill and changes the title. The amendment extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association for one year, until December 31, 2017, and removes statutory provisions that are no longer necessary given the extended suspension. The amendment also directs the Superintendent of Insurance to make a recommendation before February 15, 2017 to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters relating to the continued operation or dissolution of the association.

FISCAL NOTE REQUIRED

(See attached)



127th MAINE LEGISLATURE

LD 1545

LR 2371(02)

An Act To Repeal the Maine Guaranteed Access Reinsurance Association Act

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-393)
Committee: Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation for the Superintendent of Insurance to conduct a review and make a recommendation before February 15, 2017 regarding the Maine Guaranteed Access Reinsurance Association are expected to be minor and can be absorbed within existing budgeted resources.