

MAINE STATE LEGISLATURE

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Date: 4/1/26

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 337, L.D. 519, "An Act to Remove the Requirement That Individual and Small Group Health Plans Be Offered Through a Pooled Market and to Eliminate the Provision of Law Establishing a Pooled Market for Those Plans"

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

'An Act to Address the Long-term Sustainability of the Maine Guaranteed Access Reinsurance Association'

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

'Sec. 1. 24-A MRSA §3955, sub-§4, as enacted by PL 2011, c. 90, Pt. B, §8, is amended to read:

4. Review for solvency. An annual review of the association for solvency must be performed by an independent certified public accountant using generally accepted accounting principles. The association shall submit the annual review to the superintendent and to the joint standing committee of the Legislature having jurisdiction over health insurance matters as part of the annual report required to be submitted in subsection 5. If the superintendent determines that the funds of the association are insufficient to support the need for reinsurance, the superintendent may order the association to increase its assessments. If the superintendent determines that the funds of the association are insufficient, the superintendent may order the association to charge additional assessments and shall notify the joint standing committee of the Legislature having jurisdiction over health insurance matters.

Sec. 2. 24-A MRSA §3955, sub-§5, as enacted by PL 2011, c. 90, Pt. B, §8, is amended to read:

5. Annual report. The association shall report annually to the joint standing committee of the Legislature having jurisdiction over health insurance matters by March 15th. The report must include information on the financial solvency of the association ~~and,~~

COMMITTEE AMENDMENT

1 the administrative expenses of the association and, beginning March 15, 2027 and annually
2 thereafter, the recommendations of the board related to whether to continue, modify or
3 eliminate the assessment authorized under section 3957, subsection 2 or whether additional
4 statutory or structural changes are necessary to support the need for reinsurance. The joint
5 standing committee of the Legislature having jurisdiction over health insurance matters
6 shall conduct an evaluation of the recommendations made by the board pursuant to this
7 subsection and may report out a bill based on that evaluation to any regular or special
8 session of the Legislature.

9 Sec. 3. 24-A MRSA §3964 is enacted to read:

10 **§3964. Funding based on premium assessment**

11 **1. Calculation of premium assessment.** No later than March 1, 2027 and annually
12 thereafter, the superintendent shall calculate, but not assess, the amount that would be
13 payable if all insurers that provide medical insurance on a fully insured basis paid a 1.5%
14 assessment on premiums for the preceding calendar year. As soon as practicable, the
15 superintendent shall notify the association and the State Controller of the amount of the
16 premium assessment calculated pursuant to this subsection.

17 **2. Maine Guaranteed Access Reinsurance Sustainability Fund.** The Maine
18 Guaranteed Access Reinsurance Sustainability Fund is established as a nonlapsing Other
19 Special Revenue Funds account administered by the superintendent. The fund must receive
20 money transferred in accordance with subsection 3 and may receive additional money from
21 any legislative appropriation, allocation or transfer from any public or private source. Upon
22 receipt of a transfer by the State Controller pursuant to subsection 3, the superintendent
23 shall immediately remit the funds to the association.

24 **3. Transfer of funding.** No later than July 1, 2027 and annually thereafter, the State
25 Controller shall transfer funds from the unappropriated surplus of the General Fund to the
26 Maine Guaranteed Access Reinsurance Sustainability Fund in an amount equal to the
27 premium assessment calculated by the superintendent under subsection 1.

28 **4. Use of fund.** The association shall use the funds remitted by the superintendent
29 pursuant to this section to operate a reinsurance program as required by this chapter.'

30 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
31 number to read consecutively.

32 **SUMMARY**

33 This amendment replaces the bill and changes the title. The amendment requires the
34 Maine Guaranteed Access Reinsurance Association to submit its annual review of solvency
35 to the joint standing committee of the Legislature having jurisdiction over health insurance
36 matters as part of its annual report and also requires the Superintendent of Insurance to
37 notify the committee if the superintendent determines that the funds of the association are
38 insufficient to support reinsurance.

39 Beginning March 15, 2027 and annually thereafter, the amendment directs the
40 association to include in its annual report the recommendations of the association's board
41 of directors related to whether to continue, modify or eliminate the assessment authorized
42 under current law or whether additional statutory changes are necessary to support the need
43 for reinsurance. After conducting an evaluation of the recommendations, the joint standing

1 committee may report out a bill based on that evaluation to any regular or special session
2 of the Legislature.

3 The amendment also directs the Superintendent of Insurance to calculate, by March 1,
4 2027 and annually thereafter, the amount that would be payable if all insurers that provide
5 medical insurance on a fully insured basis paid a 1.5% assessment on premiums for the
6 preceding calendar year. The amendment requires that the State provide funding in that
7 amount to the association on an annual basis beginning July 1, 2027.

8 **FISCAL NOTE REQUIRED**

9 (See attached)



132nd MAINE LEGISLATURE

LD 519

LR 1965(02)

An Act to Remove the Requirement That Individual and Small Group Health Plans Be Offered Through a Pooled Market and to Eliminate the Provision of Law Establishing a Pooled Market for Those Plans

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-954)
Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$0	\$40,000,000	\$40,000,000
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$0	\$40,000,000	\$40,000,000
Transfers				
General Fund	\$0	\$0	(\$40,000,000)	(\$40,000,000)
Other Special Revenue Funds	\$0	\$0	\$40,000,000	\$40,000,000

Fiscal Detail and Notes

This bill establishes the Maine Guaranteed Access Reinsurance Sustainability Fund within the Department of Professional and Financial Regulation. The bill includes projected Other Special Revenue Funds allocations of \$40,000,000 in fiscal year 2027-28 and \$40,000,000 in fiscal year 2028-29 to support the operation of the reinsurance program. Funding for the fund is provided through annual transfers from the unappropriated surplus of the General Fund.