

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*First Regular Session and  
First Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Insurance and Financial Services*

*August 2005*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CARRIED OVER ..... Bill Carried Over to Second Regular Session
CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES..... House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT..... Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP..... Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED..... Bill held by Governor
VETO SUSTAINED..... Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

## *Joint Standing Committee on Insurance and Financial Services*

**LD 1168**

**An Act To Reduce Individual Health Insurance Premiums**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LINDELL DAVIS P	ONTP	

LD 1168 proposed to create the Maine Health Insurance High-risk Pool Association for the individual health insurance market. It is based on a similar high-risk pool established by the State of New Hampshire. The purpose of the association is to spread the health care costs of high-risk individuals among all health insurers. The bill funds the high-risk pool through an assessment on insurers. An individual insured through the high-risk pool may be charged a premium of up to 150% of the average premium rates charged by carriers for similar health insurance plans. Eligibility for the high-risk pool does not extend to those covered under a group health insurance policy.

The bill also proposed to broaden the community rating laws to allow carriers to vary premiums on the basis of age within a maximum rate differential on a ratio of 4 to one and on the basis of health status and tobacco use within a maximum rate differential on a ratio of 1.5 to one. The bill also removes the guaranteed issuance requirement for individual health plans, effective October 1, 2005.

**LD 1192**

**An Act To Extend Insurance Notification and Protection to Small Businesses and Farms**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WEBSTER MAYO	ONTP	

LD 1192 proposed to do the following.

1. It brings commercial property insurance contracts under the property insurance cancellation control laws so that business owners may appeal nonrenewal decisions to the Department of Professional and Financial Regulation, Bureau of Insurance. Current law extends the right of appeal to a business owner only when an insurer cancels a property insurance policy in the middle of its term.
2. It requires an insurer to provide advance notice of needed property repairs to a policyholder and to allow for a minimum of 4 months for the policyholder to complete the repairs before issuing a nonrenewal notice based on lack of necessary repairs for a property insurance policy subject to the property insurance cancellation control laws.
3. It requires insurers who include a coinsurance clause in property insurance contracts to make written disclosures to policyholders that include numeric examples explaining how the coinsurance clause applies to the amount of coverage provided for equipment or property insured under the contract in the event of a claim.