

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

Second Regular Session

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

July 2006

Members:

Sen. Nancy B. Sullivan, Chair

Sen. Arthur F. Mayo III

Sen. Peter Mills

Rep. Anne C. Perry, Chair

Rep. Lisa T. Marrache

Rep. John R. Brautigam

Rep. Charles William Harlow

Rep. Donald E. Pilon

Rep. Kevin J. Glynn

Rep. Michael A. Vaughan

Rep. R. Kenneth Lindell

Rep. Jonathan B. McKane

Rep. Wesley E. Richardson

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Maine State Legislature



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122nd Maine Legislature Second Regular Session

Summary of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 arranged alphabetically by committee name 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. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located 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/billsumm.htm).

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:

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
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
PUBLIC XXX.....	Chapter # of enacted Public Law
RESOLVE XXX.....	Chapter # of finally passed Resolve
UNSIGNED (Pocket Veto).....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is August 23, 2006.

Joint Standing Committee on Insurance and Financial Services

LD 2014

An Act Protecting Youth from Losing Health Insurance Coverage

PUBLIC 532

<u>Sponsor(s)</u> MAYO PERRY A	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-512
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LD 2014 proposed to require health insurance carriers to continue coverage for dependent children up to 24 years of age who are unable to maintain enrollment in college due to mental or physical illness if the carrier would otherwise terminate coverage under a policy due to a requirement that dependent children of a specified age be enrolled in college to maintain eligibility.

Committee Amendment “A” (S-512) replaced the bill. The amendment proposed to require health insurance carriers that provide coverage to dependent children at certain ages only if the children are students to continue coverage for a student who is unable to remain in school on a full-time basis due to a mental or physical illness or accidental injury. The amendment proposed to permit carriers to require the student to provide written documentation from a health care provider and the student's school that the student is no longer enrolled in school full-time due to a mental or physical illness or accidental injury.

Enacted law summary

Public Law 2005, chapter 532 requires individual and group health insurers that provide coverage to dependent children at certain ages only if the children are students to continue coverage for a student who is unable to remain in school on a full-time basis due to a mental or physical illness or accidental injury. The law permits insurers to require the student to provide written documentation from a health care provider and the student's school that the student is no longer enrolled in school full-time due to a mental or physical illness or accidental injury.

LD 2017

An Act To Amend the Notice of Risk to Personal Data Act

PUBLIC 583

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM MAJ	H-925
	ONTP MIN	

LD 2017 proposed to expand to other types of persons and businesses, including colleges and universities, the current requirement that information brokers notify consumers upon a security breach of the consumers' personal information. The bill also would establish a private cause of action for certain violations of the obligation to notify consumers.

The bill also proposed to require the State's Chief Information Officer to develop standards and policies requiring notification by state agencies to Maine residents upon a security breach of personal information.

Committee Amendment “A” (H-925) is the majority report of the committee. The amendment proposed to make the following changes to the bill.

1. It removes the section that permits persons to bring a private cause of action for violations of the notice provisions.

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2. It adds language to clarify that if an entity complies with file breach notification requirements established pursuant to federal or Maine law, and if those requirements are at least as protective as the protections granted by this legislation, that entity is deemed to be in compliance with the notification requirements of the bill.
3. It specifies that when a person is required to notify consumer reporting agencies of a security breach, the agencies must be informed of the date of the breach, an estimate of the number of individuals affected by the breach, if known, and the actual or anticipated date that the individuals were or will be notified of the breach.
4. It amends the definition of “person” to include State Government, the University of Maine System, the Maine Community College System and Maine Maritime Academy so that those entities are subject to the notification requirements of the bill. The amendment also exempts those parties from the civil fine provisions of the Maine Revised Statutes, Title 10, section 1349, subsection 2 but leaves them subject to equitable and injunctive remedies.
5. It clarifies that the definition of personal information subject to the notice requirements of the bill after a security breach does not apply to information maintained in 3rd-party claims databases of property and casualty insurance companies.
6. It extends authority to the Attorney General’s office with respect to persons not under the jurisdiction of the regulatory agencies within the Department of Professional and Financial Regulation.
7. It requires the Department of Professional and Financial Regulation and the Attorney General to undertake reasonable efforts to inform persons of their responsibilities under this legislation.
8. It delays the effective date of this legislation until January 31, 2007.

House Amendment “A” to Committee Amendment “A” (H-951) proposed to strike the language that indicates that “personal information” does not include “information from 3rd-party claims databases maintained by property and casualty insurers.” House Amendment “A” to Committee Amendment “A” was not adopted.

Enacted law summary

Public Law 2005, chapter 583 extends the current requirement that information brokers notify consumers upon a security breach of the consumers' personal information to other types of persons and businesses, including state government, colleges and universities. The law requires a person who maintains computerized data that includes personal information to notify residents of this State of a security breach if, after a good faith investigation upon becoming aware of a security breach, the person determines that personal information has been misused or it is reasonably possible that misuse will occur. The law provides that if an entity complies with file breach notification requirements established pursuant to federal or Maine law, and if those requirements are at least as protective as the protections granted by the requirements of Public Law 2005, chapter 583, that entity is deemed to be in compliance with the notification requirements of the law.

The law requires that when a person notifies consumer reporting agencies of a security breach, the agencies must be informed of the date of the breach, an estimate of the number of individuals affected by the breach, if known, and the actual or anticipated date that the individuals were or will be notified of the breach. Under current law, persons are required to notify consumer reporting agencies if the security breach requires notification to more than 1,000 persons at a single time.

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The law clarifies that the definition of personal information subject to the notice requirements of the law after a security breach does not apply to information maintained in 3rd-party claims databases of property and casualty insurance companies.

The law extends regulatory and enforcement authority to the Attorney General's office with respect to persons not under the jurisdiction of the regulatory agencies within the Department of Professional and Financial Regulation. The law also requires the Department of Professional and Financial Regulation and the Attorney General to undertake reasonable efforts to inform persons of their responsibilities under this legislation.

Public Law 2005, chapter 583 takes effect January 31, 2007.

LD 2021

An Act To Clarify the Uninsured Motorist Laws

PUBLIC 591

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP MAJ	
	OTP-AM MIN	
	ONTP MIN	

LD 2021 was submitted by the Joint Standing Committee on Insurance and Financial Services pursuant to Resolve 2005, chapter 100. The bill proposed to clarify the Legislature's intent regarding the uninsured motorist statute in response to the Law Court's decision in Butterfield v. Norfolk and Dedham Mutual Fire Insurance Company, 2004 ME 124, Maine Supreme Judicial Court, September 30, 2004. The bill proposed to clarify that an insurance policy may limit uninsured motorist coverage to the recovery of damages by an insured person under the policy for bodily injury, sickness or disease, including death, sustained by that insured person.

Committee Amendment "A" (H-870) is the minority report of the committee. The amendment proposed to clarify that an insurance policy must allow for recovery under uninsured motorist coverage for the death of a parent or child of the insured to the extent a person may be legally entitled to recover damages for wrongful death. Committee Amendment "A" was not adopted.

Enacted law summary

Public Law 2005, chapter 591 clarifies the Legislature's intent regarding the uninsured motorist statute in response to the Law Court's decision in Butterfield v. Norfolk and Dedham Mutual Fire Insurance Company, 2004 ME 124, Maine Supreme Judicial Court, September 30, 2004. The law clarifies that an insurance policy may limit uninsured motorist coverage to the recovery of damages by an insured person under the policy for bodily injury, sickness or disease, including death, sustained by that insured person.