

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND
FINANCIAL SERVICES**

July 2007

STAFF:

COLLEEN MCCARTHY REID
LEGISLATIVE ANALYST
OFFICE OF POLICY AND LEGAL ANALYSIS
13 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1670

MEMBERS:

SEN. NANCY B. SULLIVAN, CHAIR
SEN. PETER B. BOWMAN
SEN. LOIS A. SNOWE-MELLO

REP. JOHN R. BRAUTIGAM, CHAIR
REP. MARILYN E. CANAVAN
REP. SHARON ANGLIN TREAT
REP. CHARLES R. PRIEST
REP. JILL M. CONOVER
REP. PATSY GARSIDE CROCKETT
REP. WESLEY E. RICHARDSON
REP. MICHAEL A. VAUGHAN
REP. JONATHAN B. MCKANE
REP. DAVID G. SAVAGE

STATE OF MAINE

123RD LEGISLATURE

FIRST REGULAR SESSION

LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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 (or Accepted ONTP report).....	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.....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Insurance and Financial Services

restraining order to make an adverse claim to business accounts held by a financial institution.

Enacted Law Summary

Public Law 2007, chapter 88 clarifies that a financial institution must recognize a writ of execution served on behalf of a creditor with an adverse claim to business accounts held by a financial institution. Under current law, without the clarification, creditors may be required to obtain a court-ordered injunction or restraining order to make an adverse claim to business accounts held by a financial institution. The law also adds limited liability companies to the enumeration of entities that may have their credits taken on writ of execution.

LD 688 An Act To Establish a Universal Health Care Program

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TUTTLE SULLIVAN	ONTP	

LD 688 is a concept draft pursuant to Joint Rule 208. This bill proposes to make the following changes to the laws governing health insurance and the Dirigo Health Program modeled on recent changes made by the Commonwealth of Massachusetts:

1. It would require that an individual in this State obtain health insurance coverage unless the individual qualifies for coverage under a public plan on the basis of income;
2. It would require all employers in this State with more than 10 full-time employees to offer health insurance coverage to their employees or pay a fair-share assessment to the State in lieu of providing coverage;
3. It would establish the Maine Health Insurance Connector within the Dirigo Health Program to facilitate the purchase of health insurance by individuals in this State through a pretax payroll deduction mechanism; and
4. It would merge the individual and small group health insurance markets for rating purposes.

LD 713 An Act To Create the Insurance Fraud Division within the Bureau of Insurance

DIED BETWEEN
HOUSES

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

LD 713 establishes the Insurance Fraud Division within the Department of Professional and Financial Regulation, Bureau of Insurance. The bill requires insurers with knowledge or suspicion of fraudulent insurance acts to report those acts to the Bureau of Insurance. The bill provides for the confidentiality of records relating to insurance fraud investigations in a manner similar to the provision of confidentiality under current state law for investigative and intelligence information in the possession of other law enforcement entities. The bill does permit the Insurance Fraud Division to share investigatory information with certain national and international agencies. The bill also extends the immunity provision in current law to certain communications between insurers with respect to fraudulent insurance acts.

Committee Amendment "A" (S-129)

This amendment is the majority report of the committee. The amendment adds an appropriations and allocations section recognizing the costs of the Department of Professional and Financial Regulation, Bureau of Insurance,

Joint Standing Committee on Insurance and Financial Services

Insurance Fraud Division.

Committee Amendment "A" was adopted in the Senate, but was not adopted in the House.

LD 713, as amended, was reviewed and evaluated by the Joint Standing Committee on Judiciary pursuant to Maine Revised Statutes, Title 1, section 434, which requires review and evaluation of new exceptions to laws governing public records.

LD 773 An Act To Preserve Dirigo Choice

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRYANT M	ONTP	

LD 773 directs the Board of Directors of Dirigo Health to propose the establishment of a nonprofit health care plan that would offer consumers moderately priced insurance products under Dirigo Health as an alternative to those currently offered through an existing public plan. The bill directs the board to submit, by December 28, 2007, its proposal, including, but not limited to, a funding mechanism to capitalize the proposed nonprofit health care plan, and any recommended legislation to the Joint Standing Committee on Health and Human Services. The bill further authorizes that joint standing committee to submit legislation to implement the plan.

LD 797 An Act To Clarify the Exemption of Federal, State and Local Public Assistance Benefits under State Bankruptcy Law

PUBLIC 276

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN	OTP-AM	S-141

LD 797 conforms Maine law to the federal law regarding exemptions in bankruptcy proceedings.

Committee Amendment "A" (S-141)

This amendment changes the title and replaces the bill. The amendment clarifies that federal and state public assistance benefits, including the federal earned income tax credit and additional child tax credit, are exempt property in bankruptcy proceedings.

Enacted Law Summary

Public Law 2007, chapter 276 clarifies that federal and state public assistance benefits, including the federal earned income tax credit and additional child tax credit, are exempt property in bankruptcy proceedings.

LD 840 An Act To Update the Authority of the Maine Employers' Mutual Insurance Company To Better Serve the Needs of Maine Employers

PUBLIC 125

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAUTIGAM SULLIVAN	OTP-AM	H-129

LD 840 permits the Superintendent of Insurance to determine whether, and on what conditions, the Maine Employers' Mutual Insurance Company, or "MEMIC," may offer employment practices liability insurance as part of the workers' compensation policy it issues to Maine employers. The terms and conditions of the coverage, including terms of reinsurance necessary to protect MEMIC and its policyholders, must be approved by the superintendent.