

MAINE STATE LEGISLATURE

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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

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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

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.

Joint Standing Committee on Insurance and Financial Services

Committee Amendment "A" (H-129)

This amendment replaces the bill. The amendment permits the Maine Employers' Mutual Insurance Company to offer employers with an average of 100 or fewer employees employment practices liability insurance as an endorsement to workers' compensation coverage under terms and conditions approved by the Superintendent of Insurance. The amendment requires the Superintendent of Insurance to submit a report by March 1, 2008 on whether the superintendent has approved the coverage, the terms and conditions required for offering the coverage and the number of employers who have purchased the coverage. The Joint Standing Committee on Insurance and Financial Services is authorized to submit legislation based on the report to the Second Regular Session of the 123rd Legislature.

The amendment retains the provisions in the bill that permits a subsidiary of the Maine Employers' Mutual Insurance Company to write coverage in Maine if the coverage is incidental to and written in connection with coverage in the state in which the insured's principal place of business is located.

Enacted Law Summary

Public Law 2007, chapter 125 permits the Maine Employers' Mutual Insurance Company to offer employers with an average of 100 or fewer employees employment practices liability insurance as an endorsement to workers' compensation coverage under terms and conditions approved by the Superintendent of Insurance. The law requires the Superintendent of Insurance to submit a report by March 1, 2008 on whether the superintendent has approved the coverage, the terms and conditions required for offering the coverage and the number of employers who have purchased the coverage. The Joint Standing Committee on Insurance and Financial Services is authorized to submit legislation based on the report to the Second Regular Session of the 123rd Legislature.

Public Law 2007, chapter 125 also permits a subsidiary of the Maine Employers' Mutual Insurance Company to write coverage in Maine if the coverage is incidental to and written in connection with coverage in the state in which the insured's principal place of business is located.

LD 841 An Act To Extend Health Insurance Coverage for Dependent Children up to 25 Years of Age

PUBLIC 115

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BARSTOW STRIMLING	OTP-AM	H-130

LD 841 requires individual and group health insurance policies to continue coverage for a dependent child up to 25 years of age if the child is dependent upon the policyholder and the child has no dependents of the child's own.

Committee Amendment "A" (H-130)

This amendment replaces the bill. The amendment requires individual and group health insurance policies to offer to continue coverage for a dependent child up to 25 years of age at the option of policyholders. The amendment defines a dependent child as a child of a person covered under the policy when that child is unmarried, has no dependents, is a State resident or enrolled as a full-time student and is not provided health coverage under another policy or under a federal or state program.

Enacted Law Summary

Public Law 2007, chapter 115 requires individual and group health insurance policies to offer to continue coverage for a dependent child up to 25 years of age at the option of policyholders. The law defines a dependent child as a child of a person covered under the policy when that child is unmarried, has no dependents, is a State resident or enrolled as a full-time student and is not provided health coverage under another policy or under a federal or state program.