

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

LD 842 An Act To Require Insurance Coverage for Infertility Treatments

ONTP

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

LD 842 requires group health insurance policies, contracts and certificates to include coverage for infertility treatment if pregnancy-related benefits are provided. It applies to all group policies issued or renewed on or after January 1, 2008.

LD 904 An Act To Make Technical and Supervisory Amendments to the Banking Laws

PUBLIC 79

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN	OTP-AM	S-34

LD 904 makes a number of technical and supervisory changes to the banking laws.

1. It permits the Superintendent of Financial Institutions to designate more than one deputy superintendent. This authority would not add to the Bureau of Financial Institutions' headcount or change existing job classifications. It allows the superintendent to designate deputy superintendents with specific areas of expertise to assist in carrying out the mission of the bureau.
2. It requires that troubled financial institutions obtain approval from the superintendent before adding or replacing a member of the board of directors or governing body or employing or changing the duties of a senior executive officer.
3. It moves the requirement in the section of law regarding holding companies to the section of law regarding anticompetitive and unfair practices for the Superintendent of Financial Institution's approval for any financial institution, financial institution holding company, foreign bank or foreign bank holding company to acquire control of all or part of a financial institution if the acquiring institution would hold more than 30% of total deposits in the State.
4. It requires notice to the Superintendent of Financial Institutions when a state-chartered financial institution seeks to convert to a federally chartered financial institution.
5. It requires notice to the Superintendent of Financial Institutions when a state-chartered financial institution seeks to merge, consolidate with or acquire a federally chartered financial institution. It removes the requirement that the superintendent approve the transaction if the transaction is approved by a federal regulator and the resulting institution is federally chartered.
6. It clarifies that proxy voting on credit union mergers is permissible.
7. It requires notice to the Superintendent of Financial Institutions when a state-chartered credit union seeks to convert to a federally chartered credit union.
8. It provides that the Superintendent of Financial Institutions need only approve acquisitions of interests in Maine financial institutions and acquisitions by Maine financial institutions and Maine holding companies of other financial institutions. The changes eliminate requirements to approve acquisitions made by federally chartered

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institutions, and by holding companies that control only federally chartered institutions, of federal and out-of-state financial institutions. Approval is still required if these federal institutions acquire a Maine financial institution. It also reduces the number of criteria required for approval of changes in control of Maine financial institutions so as to make the law consistent with federal law.

9. It clarifies that approval of a plan of reorganization of a mutual holding company must come from a majority of the board of directors and account holders.

10. It allows the Superintendent of Financial Institutions to designate a deputy superintendent to serve on the board of commissioners of the Maine Municipal Bond Bank in place of the superintendent.

The bill also makes a technical change to the laws governing municipalities and counties contained in the Maine Revised Statutes, Title 30-A.

Committee Amendment "A" (S-34)

This amendment makes the language consistent with another section of the bill relating to the actions taken by a Maine financial institution or Maine financial institution holding company that require the approval of the Superintendent of Financial Institutions. The amendment also corrects a punctuation error.

Enacted Law Summary

Public Law 2007, chapter 79 makes a number of technical and supervisory changes to the banking laws.

1. It permits the Superintendent of Financial Institutions to designate more than one deputy superintendent. This authority would not add to the Bureau of Financial Institutions' headcount or change existing job classifications. It allows the superintendent to designate deputy superintendents with specific areas of expertise to assist in carrying out the mission of the bureau.
2. It requires that troubled financial institutions obtain approval from the superintendent before adding or replacing a member of the board of directors or governing body or employing or changing the duties of a senior executive officer.
3. It moves the requirement in the section of law regarding holding companies to the section of law regarding anticompetitive and unfair practices for the Superintendent of Financial Institution's approval for any financial institution, financial institution holding company, foreign bank or foreign bank holding company to acquire control of all or part of a financial institution if the acquiring institution would hold more than 30% of total deposits in the State.
4. It requires notice to the Superintendent of Financial Institutions when a state-chartered financial institution seeks to convert to a federally chartered financial institution.
5. It requires notice to the Superintendent of Financial Institutions when a state-chartered financial institution seeks to merge, consolidate with or acquire a federally chartered financial institution. It removes the requirement that the superintendent approve the transaction if the transaction is approved by a federal regulator and the resulting institution is federally chartered.
6. It clarifies that proxy voting on credit union mergers is permissible.
7. It requires notice to the Superintendent of Financial Institutions when a state-chartered credit union seeks to convert to a federally chartered credit union.
8. It provides that the Superintendent of Financial Institutions need only approve acquisitions of interests in Maine financial institutions and acquisitions by Maine financial institutions and Maine holding companies of other

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financial institutions. The changes eliminate requirements to approve acquisitions made by federally chartered institutions, and by holding companies that control only federally chartered institutions, of federal and out-of-state financial institutions. Approval is still required if these federal institutions acquire a Maine financial institution. It also reduces the number of criteria required for approval of changes in control of Maine financial institutions so as to make the law consistent with federal law.

9. It clarifies that approval of a plan of reorganization of a mutual holding company must come from a majority of the board of directors and account holders.

10. It allows the Superintendent of Financial Institutions to designate a deputy superintendent to serve on the board of commissioners of the Maine Municipal Bond Bank in place of the superintendent.

The law also makes a technical change to the laws governing municipalities and counties contained in the Maine Revised Statutes, Title 30-A.

LD 911 Resolve, To Promote Health Care Insurance for Volunteer Public Safety Personnel through the Dirigo Health Program

RESOLVE 118

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BURNS STRIMLING	OTP-AM MAJ ONTP MIN	H-470

LD 911 makes persons who act as volunteer firefighters or volunteer emergency services and police personnel for a county, municipality or local government eligible for health care coverage through the Dirigo Health Program. The bill also requires that the Dirigo Health Program pay a subsidy for 100% of the costs of that coverage. The bill gives authority to the Board of Directors of Dirigo Health to increase the amount of the savings offset payment used to fund subsidies for the program if necessary but prohibits the amount from exceeding 4.0% of annual paid claims.

Committee Amendment "A" (H-470)

This amendment replaces the bill and changes it to a resolve. The amendment requires the Executive Director of Dirigo Health to conduct an education and outreach initiative designed to promote awareness of the Dirigo Health Program to provide health insurance coverage for volunteer public safety personnel.

Enacted Law Summary

Resolve 2007, chapter 118 requires the Executive Director of Dirigo Health to conduct an education and outreach initiative designed to promote awareness of the Dirigo Health Program to provide health insurance coverage for volunteer public safety personnel.

LD 912 An Act To Return Affordable Health Insurance to the State

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WALKER BOWMAN	ONTP	

LD 912 makes the following changes to the laws governing individual and small group health insurance and Dirigo Health.

Part A of the bill repeals the guaranteed issue and community rating laws for the individual and small group health insurance markets effective January 1, 2010. The bill enacts the Comprehensive Health Insurance Risk Pool Association Act, which will operate as an alternative to guaranteed issuance laws in the individual health