

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

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

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# STATE OF MAINE

123<sup>RD</sup> 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 123<sup>rd</sup> 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*

The Maine Health Care Agency is directed to study the provision of health care services under the MaineCare, Medicaid and Medicare programs, waivers, coordination of benefit delivery and compensation, reorganization of State Government necessary to accomplish the objectives of the Maine Health Care Agency and legislation needed to carry out the purposes of the bill. The agency is directed to apply for all waivers required to coordinate the benefits of the Maine Health Care Plan and the Medicaid and Medicare programs. A report by the agency is due to the joint standing committee of the Legislature having jurisdiction over health and human services matters by March 1, 2008.

LD 1072 was carried over by joint order, H.P. 1369, to the next special or regular session of the 123rd Legislature.

### **LD 1082 An Act To Create a Maine-based Independent Nonprofit Health Insurance Company**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PRIEST MARTIN		

LD 1082 directs the Board of Directors of Dirigo Health to establish a nonprofit health care plan to deliver health insurance coverage under Dirigo Health as an alternative to health insurance coverage offered by commercial health insurance carriers. The bill requires the board to consult with the Department of Professional and Financial Regulation, Bureau of Insurance and other state agencies as necessary and authorizes the board to contract for actuarial, financial and legal services. If the board determines that additional legislation is needed to establish the nonprofit health care plan, the bill requires that the recommended legislation be submitted to the Joint Standing Committee on Insurance and Financial Services by December 1, 2007. The bill authorizes the Joint Standing Committee on Insurance and Financial Services to submit legislation to the Second Regular Session of the 123rd Legislature. The bill directs that the board present a plan of operation for the nonprofit health care plan pursuant to the Maine Revised Statutes, Title 24, chapter 19 to the Superintendent of Insurance by March 1, 2008. Finally, the bill requires that the nonprofit health care plan begin offering coverage by October 1, 2008.

LD 1082 was carried over by joint order, H.P. 1369, to the next special or regular session of the 123rd Legislature.

### **LD 1083 An Act To Clarify the Use of Insurance Scores**

**PUBLIC 74**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CANAVAN SNOWE-MELLO	OTP-AM MAJ ONTP MIN	H-72

LD 1083 requires an insurer that uses consumer reports in insurance underwriting to obtain an updated credit report, recalculate the insured's insurance score and reunderwrite and rerate the insured. An insurer must take these steps within 30 days of receiving the insured's request but need not do so more often than once in any 12-month period. Changes in premium do not become effective until the current policy's renewal.

#### **Committee Amendment "A" (H-72)**

This amendment is the majority report of the committee. The amendment clarifies that any adjustments in premium after an insurer reunderwrites and rerates an insured's policy become effective on the anniversary date or the renewal date of the policy.

#### **Enacted Law Summary**

Public Law 2007, chapter 74 requires an insurer that uses consumer reports in insurance underwriting to obtain an updated credit report, recalculate the insured's insurance score and reunderwrite and rerate the insured. An insurer

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

must take these steps within 30 days of receiving the insured's request but need not do so more often than once in any 12-month period. Any adjustments in premium after an insurer reunderwrites and rerates an insured's policy become effective on the anniversary date or the renewal date of the policy.

**LD 1102      An Act To Lower Mandatory Group Participation Rates to 60%      ONTP**

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

Under current law, for purposes of guaranteed renewal, health insurance carriers are permitted to impose minimum participation requirements that may not exceed 75% for small group health plans. This bill reduces the minimum participation requirement to 60%.

**LD 1116      An Act To Create a State-sponsored Mutual Liability Company To Underwrite Risk for Snowmobile and ATV Clubs      ONTP**

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

LD 1116 establishes the Maine Snowmobile and ATV Club Mutual Liability Company to manage liability risks for snowmobile and ATV clubs in the State and to indemnify landowners.

**LD 1203      An Act To Amend the Laws Respecting Assignments for the Benefit of Creditors      CARRIED OVER**

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

LD 1203 is a concept draft pursuant to Joint Rule 208. The bill seeks to clearly set forth the laws governing assignments for the benefit of creditors so that this process for gathering and distributing assets is more accessible and reliable for use in appropriate circumstances to benefit both creditors and debtors.

LD 1203 was carried over by joint order, H.P. 1369, to the next special or regular session of the 123rd Legislature.

**LD 1208      An Act To Create Uniformity among Certain Self-insureds      PUBLIC 278**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN	OTP-AM	S-130

LD 1208 clarifies that multiple-employer welfare arrangements will be treated like other plans under the federal Employee Retirement Income Security Act of 1974 for purposes of small group plan requirements. Multiple-employer welfare arrangements will no longer be required to comply with the standards of the Maine Revised Statutes, Title 24-A, section 2808-B relating to small group health plans and will not have to comply with the Department of Professional and Financial Regulation, Bureau of Insurance, Bureau Rule 750, which addresses standardized health plans, or Rule 850, which addresses health plan accountability. Multiple-employer welfare arrangements are still required to meet the reporting, actuarial, joint and several liability and group solvency