

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

STAFF:

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

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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.

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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

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standards of Title 24-A, chapter 81.

Committee Amendment "A" (S-130)

This amendment replaces the bill. The amendment allows a multiple employer welfare arrangement to offer a managed care plan that does not adhere to any geographic access requirements on a pilot basis with approval of the Superintendent of Insurance between January 1, 2008 and January 1, 2011. The amendment prohibits an arrangement from including terms and conditions in the managed care plan that have a detrimental financial impact on a covered person or that require a covered person to travel outside of the United States for health care services. The amendment requires the Superintendent of Insurance to report to the Legislature on the status of any approved pilot program on an annual basis.

Enacted Law Summary

Public Law 2007, chapter 278 allows a multiple employer welfare arrangement to offer a managed care plan that does not adhere to any geographic access requirements on a pilot basis with approval of the Superintendent of Insurance between January 1, 2008 and January 1, 2011. The law prohibits a multiple employer welfare arrangement from including terms and conditions in the managed care plan that have a detrimental financial impact on a covered person or that require a covered person to travel outside of the United States for health care services. The law requires the Superintendent of Insurance to report to the Legislature on the status of any approved pilot program on an annual basis.

LD 1218 An Act To Further Limit Retrospective Denials of Previously Paid Health Insurance Claims

PUBLIC 106

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

LD 1218 shortens the time frame from 18 months to 12 months in which a health insurance carrier may deny retrospectively a health insurance claim submitted by a health care provider and processed and paid in accordance with the standards in effect at the time of submission.

Enacted Law Summary

Public Law 2007, chapter 106 shortens the time frame from 18 months to 12 months in which a health insurance carrier may deny retrospectively a health insurance claim submitted by a health care provider and processed and paid in accordance with the standards in effect at the time of submission.

LD 1230 An Act To Protect Consumers against Inadequate Health Care Coverage

ONTP

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

LD 1230 prohibits health insurance carriers from offering health plans with deductibles of \$1,500 or higher. The bill applies to all health plans issued or renewed on or after October 1, 2007. The bill also removes the authority of the Department of Professional and financial Regulation, Bureau of Insurance to adopt rules that give carriers flexibility with regard to deductible and requires the Bureau of Insurance to repeal Part II of Rule Chapter 750: Standardized Health Plans.