

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 1253 An Act To Protect Consumers from Deceptive Insurance Solicitation

PUBLIC 118

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SULLIVAN	OTP-AM	S-57

LD 1253 prohibits a person from using the name of a financial institution in insurance solicitations without the express written permission of that financial institution.

Committee Amendment "A" (S-57)

This amendment replaces the bill. The amendment prohibits a person from using the name of a financial institution in insurance solicitations in a manner that is untrue, deceptive or misleading.

Enacted Law Summary

Public Law 2007, chapter 118 prohibits a person from using the name of a financial institution in insurance solicitations in a manner that is untrue, deceptive or misleading.

LD 1262 An Act Regarding Property and Casualty Insurance Actuarial Opinion of Reserves

PUBLIC 281

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT	OTP-AM	H-353

LD 1262 amends the Maine Insurance Code by replacing the current provisions regarding property and casualty actuarial opinions on insurer reserves with the model legislation adopted by the National Association of Insurance Commissioners. The bill requires the filing of the statement of actuarial opinion, the actuarial report supporting the opinion and the actuarial opinion summary by domestic insurers, excluding domestic mutual property insurers.

The bill also provides immunity to a qualified actuary for damages to persons other than the Superintendent of Insurance or a property and casualty insurance company for any act, error, omission, decision or conduct with respect to the actuary's opinion, except in cases of fraud or willful misconduct.

Committee Amendment "A" (H-353)

This amendment clarifies that a qualified actuary is not immune from liability for damages to persons other than the Superintendent of Insurance or a property and casualty insurance company in cases of reckless disregard. The amendment also clarifies language relating to the public disclosure and confidentiality of certain documents.

LD 1262, 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.

Enacted Law Summary

Public Law 2007, chapter 281 amends the Maine Insurance Code by replacing the current provisions regarding property and casualty actuarial opinions on insurer reserves with the model legislation adopted by the National Association of Insurance Commissioners. The law requires domestic insurers, excluding domestic mutual property insurers, to file the statement of actuarial opinion, the actuarial report supporting the opinion and the actuarial opinion summary with the Superintendent of Insurance. The law designates the statement of actuarial opinion as a public record, but otherwise designates the actuarial report, actuarial opinion summary and other documents

Joint Standing Committee on Insurance and Financial Services

provided by the property and casualty insurance company as confidential and not subject to public disclosure.

Public Law 2007, chapter 281 also provides immunity to a qualified actuary for damages to persons other than the Superintendent of Insurance or a property and casualty insurance company for any act, error, omission, decision or conduct with respect to the actuary's opinion, except in cases of fraud, willful misconduct or reckless disregard.

LD 1269 *Resolve, To Study the Feasibility of Pine Tree Health Care Insurance Zones* **ONTP**

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

LD 1269 requires the Department of Professional and Financial Regulation, Bureau of Insurance to study the feasibility of pine tree health care insurance zones, which would address the problems of higher health care insurance rates in rural areas and less coverage in rural areas, and submit its study and any legislation it determines necessary to the Second Regular Session of the 123rd Legislature no later than December 5, 2007.

LD 1287 *An Act To Assist Maine Pharmacies* **ONTP**

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

LD 1287 establishes "the Prescription Drug Practices Act." The bill requires all pharmacy benefits managers operating in the State to acquire a valid certificate of authority to be issued by the Department of Professional and Financial Regulation, Bureau of Insurance. The bill also establishes compliance and disclosure requirements for pharmacy benefits managers and prohibits certain practices by pharmacy benefits managers.

LD 1294 *An Act To Establish a Health Care Bill of Rights* **CARRIED OVER**

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

LD 1294 makes the following changes to the laws regulating individual and small group health plans.

1. It increases the time period for advance notice of rate increases and rate changes to policyholders.
2. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to hold public hearings when a rate increase is proposed.
3. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to contract with an independent hearing officer to conduct rate hearings and to appoint an advocacy panel in those proceedings to represent the interests of consumers and the public.
4. It clarifies that all rate filings and information and documentation used to support the filings are public records and may be disclosed to the public.
5. It changes the standard of review that rates not be excessive to the standard that rates be reasonable and