

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
124<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during the First Regular Session of the 124<sup>th</sup> Maine Legislature coming from the

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

July 2009

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# STATE OF MAINE

124<sup>TH</sup> LEGISLATURE  
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## 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 124<sup>th</sup> Maine Legislature.

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:

CARRIED OVER.....	Carried over to a subsequent session of the Legislature
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; bill died
ONTP (or Accepted ONTP report).....	Ought Not To Pass report accepted; bill died
P&S XXX.....	Chapter # of enacted Private & Special Law
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

The effective date for non-emergency legislation enacted in the First Regular Session of the 124<sup>th</sup> Legislature is September 12, 2009. 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*

This bill regulates those entities that operate as escrow agencies. The bill requires escrow agencies to be licensed by the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection and requires agencies to demonstrate financial responsibility by obtaining fidelity bonds, surety bonds and insurance. The bill also requires escrow agencies to maintain certain records of escrow transactions and prohibits certain practices for the protection of consumers.

### **Committee Amendment "A" (H-40)**

This amendment replaces the bill. In section 1, the amendment regulates those entities that operate as exchange facilitators, requiring those entities to be licensed by the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection and to demonstrate financial responsibility by obtaining fidelity bonds or surety bonds and insurance. In section 2, the amendment requires residential mortgage settlement agencies to register with the Bureau of Consumer Credit Protection. The amendment gives the Superintendent of Consumer Credit Protection authority to examine a settlement agency and investigate complaints alleging a violation of existing laws, such as the federal Real Estate Settlement Procedures Act of 1974, the Funded Settlement Act and the Maine Consumer Credit Code, for the protection of consumers. The amendment also adds an appropriations and allocations section.

### **Enacted Law Summary**

Public Law 2009, chapter 61 provides for the regulation of exchange facilitators and residential mortgage settlement agencies.

In section 1, the law regulates those entities that operate as exchange facilitators, requiring those entities to be licensed by the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection and to demonstrate financial responsibility by obtaining fidelity bonds or surety bonds and insurance. Exchange facilitators are defined as those entities that facilitate a tax-deferred real estate transaction in accordance with Section 1031 of the federal Internal Revenue Code.

In section 2, the law requires residential mortgage settlement agencies to register with the Bureau of Consumer Credit Protection. The law gives the Superintendent of Consumer Credit Protection authority to examine a settlement agency and investigate complaints alleging a violation of existing laws, such as the federal Real Estate Settlement Procedures Act of 1974, the Funded Settlement Act and the Maine Consumer Credit Code, for the protection of consumers.

**LD 191**

### **An Act Regarding Insurance Copayments for Short-term Prescriptions**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A BRANNIGAN	ONTP	

This bill requires an individual or group health insurer, a health maintenance organization that provides health coverage for prescription drugs and a 3rd-party administrator or pharmaceutical benefits manager to adjust the copayment to accommodate a short-term prescription. The copayment must be proportional. The bill requires the Superintendent of Insurance to adopt routine technical rules that include a penalty provision. The penalty provision must require an insurer that does not comply with the requirements and rules to pay a contribution to the Unused Pharmaceutical Disposal Program Fund established under the Maine Revised Statutes, Title 22, section 2700, subsection 5. As part of the rule-making process, notice must be given to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters and the joint standing committee of the Legislature having jurisdiction over health and human services matters. The requirements apply to policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after

# Joint Standing Committee on Insurance and Financial Services

January 1, 2010.

## LD 216 An Act To Amend the Law Governing Property Insurance on a Primary Residence

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS P SMITH D	ONTP	

This bill allows a homeowner to insure the primary residence of the homeowner for an alternative insured value, which is less than the actual cash value of the residence. It requires the execution of a rider that meets the requirements of the Superintendent of Insurance to indicate the homeowner's choice of insuring at the alternative insured value. The bill also requires the superintendent to adopt routine technical rules to establish the approved form for the alternative insured value rider.

## LD 234 An Act To Expand Access to Oral Health Care

PUBLIC 307

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JONES SULLIVAN	OTP-AM MAJ ONTP MIN	H-433

This bill requires dental insurers and health insurers and health maintenance organizations that include coverage for dental services in their policies and contracts to provide coverage for dental services performed by an independent practice dental hygienist if those services would be covered under the policy or contract and those services are within the lawful scope of practice of the independent practice dental hygienist. The bill applies to all individual and group policies and contracts issued or renewed on or after January 1, 2010.

### Committee Amendment "A" (H-433)

This amendment is the majority report of the committee. The amendment requires the Department of Professional and Financial Regulation, Bureau of Insurance to submit a report related to the experience of carriers with the mandate requiring coverage for dental services performed by a licensed independent practice dental hygienist. The report must be submitted by February 1, 2013. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters is authorized to report out a bill to the First Regular Session of the 126th Legislature.

### Enacted Law Summary

Public Law 2009, chapter 307 requires dental insurers and health insurers and health maintenance organizations that include coverage for dental services in their policies and contracts to provide coverage for dental services performed by an independent practice dental hygienist if those services would be covered under the policy or contract and those services are within the lawful scope of practice of the independent practice dental hygienist. The law applies to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2010.

Public Law 2009, chapter 307 also requires the Department of Professional and Financial Regulation, Bureau of Insurance to submit a report related to the experience of carriers with the mandate requiring coverage for dental services performed by a licensed independent practice dental hygienist. The report must be submitted by February 1, 2013. The joint standing committee of the Legislature having jurisdiction over insurance and financial services matters is authorized to report out a bill to the First Regular Session of the 126th Legislature.