

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

STATE OF MAINE
124TH LEGISLATURE
FIRST REGULAR SESSION



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

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

July 2009

STAFF:

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

MEMBERS:

SEN. PETER B. BOWMAN, CHAIR
SEN. JUSTIN L. ALFOND
SEN. EARLE L. MCCORMICK

REP. SHARON ANGLIN TREAT, CHAIR
REP. CHARLES R. PRIEST
REP. PAULETTE G. BEAUDOIN
REP. HENRY E.M. BECK
REP. ADAM GOODE
REP. EDWARD P. LEGG
REP. TERRY K. MORRISON
REP. WESLEY E. RICHARDSON
REP. WINDOL C. WEAVER
REP. LESLIE T. FOSSEL

STATE OF MAINE

124TH 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 124th 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 124th 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

**LD 290 An Act To Allow Maine Residents To Purchase Health Insurance from
Out-of-state Insurers**

**ACCEPTED ONTP
REPORT**

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

This bill permits out-of-state health insurers, which are referred to as regional insurers in the bill, to offer their individual and group health plans for sale in this State if certain requirements of Maine law are met, including minimum capital and surplus and reserve requirements, disclosure and reporting requirements and grievance procedures. The bill defines regional insurers as those insurers authorized to transact individual or group health insurance in one of the following states: Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont. It also permits Maine health insurers to offer individual health plans of out-of-state parent or subsidiary health insurers if similar requirements are met. If out-of-state health plans are offered for sale in this State, the bill requires that prospective enrollees be provided adequate disclosure of how the plans differ from Maine health plans in a format approved by the Superintendent of Insurance. The bill takes effect January 1, 2010.

Committee Amendment "A" (H-169)

This amendment is the minority report of the committee and does the following.

1. It removes language from the bill that would have authorized out-of-state health insurers to offer group health plans for sale in the State, and retains language that authorizes out-of-state health insurers to offer individual health plans for sale in the State.
2. It clarifies that the out-of-state insurer must respond to any consumer complaints raised to the Department of Professional and Financial Regulation, Bureau of Insurance.
3. It clarifies that the term "health insurance" does not include accidental injury, specified disease, hospital indemnity, dental, vision, disability income, long-term care, Medicare supplement or other limited benefit health insurance.
4. It adds an appropriations and allocations section.

Committee Amendment "A" was not adopted.

LD 323 An Act To Improve Transparency in the Health Insurance Markets

ONTP

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

This bill amends the Maine Insurance Code to require that health insurers provide updated information to group enrollees regarding the status of their employer-sponsored insurance coverage when a notice of termination for nonpayment has been issued, post on their publicly accessible websites current versions of their individual and small group policies that have the most residents of the State enrolled and send clear explanations of benefits to explain

Joint Standing Committee on Insurance and Financial Services

the services and payments made by insurance companies on behalf of their policyholders.

While LD 323 was voted "Ought Not to Pass", the substantive provisions of the bill are included in LD 1205, An Act to Establish the Health Care Bill of Rights. See LD 1205, which was enacted as Public Law 2009, chapter 439.

LD 377 An Act To Amend the Procedure for Foreclosure Regarding Timing and Sale **ONTP**

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

This bill allows a court upon a showing of good cause to extend a deadline for a notice of sale or conducting a public sale in a foreclosure action.

While LD 377 was voted "Ought Not to Pass", the substantive provision in the bill was incorporated into LD 1418, An Act to Preserve Home Ownership and Stabilize the Economy by Preventing Unnecessary Foreclosures. See LD 1418, which was enacted as Public Law 2009, chapter 402.

LD 390 An Act To Clarify Guaranteed Fund Protection for Deferred Compensation Accounts **PUBLIC 118
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCORMICK	OTP-AM	S-58

This bill is a concept draft pursuant to Joint Rule 208. The purpose of this bill is to clarify how a guaranteed fund would protect certain deferred compensation investments following the insolvency of a deferred compensation provider.

Committee Amendment "A" (S-58)

This amendment replaces the concept draft. The amendment provides that the annuity contracts issued to individuals participating in governmental retirement benefit plans are protected through the Maine Life and Health Insurance Guaranty Association whether those annuities are allocated or unallocated. The amendment also specifies that the financial interest of participants in those plans is protected up to \$250,000 in the aggregate in present value of annuity benefits. The amendment adds an emergency preamble and provides that the Act applies to an insolvency of an insurance company that is a member of the Maine Life and Health Insurance Guaranty Association that occurs on or after the date the Act is approved.

Enacted Law Summary

Public Law 2009, chapter 118 provides that the annuity contracts issued to individuals participating in governmental retirement benefit plans are protected through the Maine Life and Health Insurance Guaranty Association whether those annuities are allocated or unallocated. The law also specifies that the financial interest of participants in those plans is protected up to \$250,000 in the aggregate in present value of annuity benefits.

Public Law 2009, chapter 118 was enacted as an emergency measure effective May 11, 2009; however, the law applies to an insolvency of an insurance company that is a member of the Maine Life and Health Insurance Guaranty Association that occurs on or after May 11, 2009.