

MAINE STATE LEGISLATURE

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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

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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

Enacted Law Summary

Public Law 2009, chapter 222 allows subrogation or priority over the insured of medical payments in certain instances in a casualty insurance policy for any hospital, nursing, medical or surgical services or of any expenses paid or reimbursed under the medical payments coverage in the policy only when an insured's awarded or settled damages exceed \$20,000.

LD 782 An Act To Require Health Insurers To Provide Coverage for Nutritional Wellness and Prevention Measures and Products

ACCEPTED ONTP
REPORT

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

The bill requires that health insurance policies provide coverage for nutritional wellness and prevention measures that are shown to be beneficial to the enrollee and recommended by the enrollee's physician. The bill applies to all individual and group policies issued or renewed on or after January 1, 2010.

Committee Amendment "A" (H-283)

This amendment replaces the bill and is the minority report of the committee. The amendment requires health insurance coverage for medically necessary liquid nutrition therapy for persons with chronic illnesses. The amendment applies to all individual and group policies issued or renewed on or after January 1, 2010. The amendment also adds an appropriations and allocations section.

Committee Amendment "A" was not adopted.

LD 783 An Act To Protect the Privacy of Consumer Financial Information

ACCEPTED ONTP
REPORT

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

Currently, state law conforms to the opt-out provisions of the federal Gramm-Leach-Bliley Act regarding the disclosure of nonpublic personal information. This bill puts in place an opt-in requirement so that financial services providers, including banks, credit unions, securities firms and mortgage companies, must have permission from individuals before disclosing nonpublic personal information to nonaffiliated 3rd parties. The bill is contingent on approval by voters at a statewide referendum.

Committee Amendment "A" (H-144)

This amendment is the minority report of the committee. The amendment clarifies the enforcement authority of regulators within the Department of Professional and Financial Regulation and the Attorney General. The amendment removes certain provisions of the bill to preserve the privacy protections already available to consumers in the Maine Insurance Information and Privacy Protection Act and makes technical changes to conform the language to current law. The amendment also removes the provision in the bill making it contingent upon approval by voters at a statewide referendum.

Joint Standing Committee on Insurance and Financial Services

Committee Amendment "A" was not adopted.

LD 825 An Act To Allow the Consecutive Purchase of 6-month Health Insurance Policies **ONTP**

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

This bill extends the length of time that an insurer may issue individual short-term health insurance as a replacement policy for an additional term of 6 months.

LD 859 An Act To Control Premium Costs in the Small Group Health Insurance Market **ONTP**

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

This bill requires a benefits-incurred-to-premiums-earned loss ratio of 78% for one year or 80% over a 3-year average in the small group insurance market.

A related provision to increase the minimum loss ratio in individual and small group health plans was included in LD 1205, An Act to Establish a Health Care Bill of Rights as originally drafted but was not included in LD 1205 as enacted. See LD 1205, which was enacted as Public Law 2009, chapter 439.

LD 896 An Act To Ensure Adequate Insurance Coverage for Family Child Care Providers **PUBLIC 185**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODE BOWMAN	OTP-AM MAJ ONTP MIN	H-214

This bill makes it clear that insurers issuing homeowner's insurance policies are not liable under those policies for losses or damages arising out of the services provided by certified family child care providers in an insured's home unless coverage is specifically provided under the policy or a rider providing business liability coverage is attached to the policy. The bill prohibits an insurer from refusing to issue, renew or cancel a policy if the insured can demonstrate satisfactory evidence of liability insurance coverage for the operations of the family child care. The bill also prohibits insurers from restricting coverage under any rider for a family child care provider based on the number of children cared for in the home except as provided in the family child care provider's certification.

Committee Amendment "A" (H-214)

This amendment replaces the bill. As in the bill, the amendment prohibits an insurer from refusing to issue or renew or from cancelling a homeowner's policy if the insured can demonstrate satisfactory evidence of liability coverage for the operations of the family child care business. The amendment proposes language to conform to existing