

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**

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STATE OF MAINE

124TH 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 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 1091 An Act To Reduce the Cost of Health Insurance

ONTP

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

This bill repeals the individual health insurance provisions relating to rating and reinsurance enacted as part of Public Law 2007, chapter 629 because the funding sources for those provisions were repealed by people's veto in November 2008. In their place, the bill makes the following changes to the individual and small group health insurance laws:

1. It amends guaranteed issuance and community rating for individual and small group health plans; and
2. It creates the Maine High-risk Reinsurance Pool Association. The purpose of the association is to provide reinsurance to spread the cost of high-risk individuals and small groups among all health insurers. The bill funds the high-risk reinsurance pool through an assessment on insurers.

LD 1125 An Act To Improve the Home Foreclosure Process

ONTP

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

This bill requires that a mortgagee who is initiating a foreclosure action in Superior Court or District Court must include a mortgagor answer form in the documents that are served on the mortgagor with the complaint. The mortgagor answer form must be placed on top of the documents and may serve as the mortgagor's answer to the foreclosure complaint. It must also provide an opportunity for the mortgagor to request mediation, if mediation is available.

While LD 1125 was voted "Ought Not to Pass", a related substantive provision requiring that a one-page form notice serving as both a sample answer and a request for mediation be attached to the front of a foreclosure complaint 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 1144 An Act To Protect Tenants during Foreclosure

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CORNELL DU HOUX SULLIVAN	ONTP	

This bill requires a mortgagor to notify a tenant of the commencement of foreclosure proceedings against the premises rented by that tenant no later than one week after the commencement of those proceedings by sending a

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notice to the tenant by certified mail, return receipt requested, or by notifying the tenant in person. A mortgagor who fails to provide this notice shall provide one month's rent to the tenant at no cost to the tenant. A mortgagee or any other person may not evict a tenant until 30 days after the completion of the foreclosure proceedings.

While LD 1144 was voted "Ought Not to Pass", a related substantive provision requiring notice of foreclosure judgments to tenants 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 1180 An Act To Clarify and Update the Laws Related to Life and Health Insurance

**PUBLIC 244
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT	OTP-AM	H-288

This bill protects those who switch from one Medicare supplement plan to another from losing protection against medical underwriting or preexisting condition exclusions if during a past period they were covered under a Medicare Advantage plan rather than traditional Medicare with a Medicare supplement plan.

This bill expands the current law regarding notice to parents regarding coverage of dependent children to apply to adult children as well as minors, as long as the adult child consents. It also makes the requirement applicable to health maintenance organizations.

This bill repeals the provisions for special rate hearings on individual, small group, and Medicare supplement insurance. These provisions provide for shifting the burden of proof as to whether rates are excessive from the insurer to the Department of Professional and Financial Regulation, Bureau of Insurance or other party asserting they are excessive if certain conditions are met. Under the bill, the burden of proof remains with the insurer. This bill amends and strengthens the law prohibiting discrimination in insurance based on genetic information. The amendments conform state law to the federal Genetic Information Nondiscrimination Act of 2008.

This bill amends the State's continuity of coverage law with respect to group health insurance to conform to the federal Health Insurance Portability and Accountability Act of 1996. The current law waives medical underwriting and preexisting condition exclusions only to the extent that benefits would have been payable under a prior contract or policy. As amended, medical underwriting and preexisting condition exclusions in group health insurance policies are waived entirely in most cases as long as there was some prior coverage. This bill also specifies, consistent with the federal Health Insurance Portability and Accountability Act of 1996, that when a group policy is replaced by another group policy, the "look-back" period for preexisting exclusions is measured from the date of enrollment in the first policy. In addition, this bill adds a provision to the Maine Insurance Code to require compliance with the federal Children's Health Insurance Program Reauthorization Act of 2009, Section 311.

This bill clarifies the applicability of individual and small group rating laws to group health insurance policies issued to associations and other groups. Coverage of employees of small employers, including those covered through employee leasing companies, is subject to small group rating laws. Coverage of individuals not covered through employment is subject to individual rating laws.

This bill clarifies that rates for individual health insurance and certain small group health insurance are subject to approval by the Superintendent of Insurance. Current law provides for disapproval of rates but does not explicitly refer to approval of rates.