

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

July 2011

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

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; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Insurance and Financial Services

LD 881

An Act To Amend Certain Insurance Provisions Relating to Variable Annuity Death Benefits and Multiple Employer Trusts

PUBLIC 163

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON W	OTP-AM	H-158 S-101 WHITTEMORE

This bill amends Maine's minimum variable annuity death benefit law, which currently requires a return of premium, to provide that the premium returned should be reduced by amounts that the insurance company has already distributed to the policy owners as, for example, in the form of cash withdrawals, loans or qualified transfers. The bill allows life insurance to be provided to trust groups without requiring that employers agree to serve as settlors of the trust. This change will permit the creation of trust groups adopted by two or more employers instead of limiting the law to trusts established by employers. This change makes Maine law consistent with the national standards represented by the National Association of Insurance Commissioners model.

Committee Amendment "A" (H-158)

This amendment clarifies that a variable annuity death benefit payment must equal the greater of the premiums, reduced by any adjusted withdrawals from the policy already distributed to the policy owner, and the value of the contract, instead of the sum of the premiums, less withdrawals, and the value of the contract, as the bill proposes.

Senate Amendment "A" To Committee Amendment "A" (S-101)

This amendment clarifies the language of Committee Amendment "A" that a variable annuity death benefit equals either the value of the contract at the time of death or the sum of the premiums less adjusted withdrawals from the policy, whichever is greater.

Enacted Law Summary

Public Law 2011, chapter 163 amends Maine's minimum variable annuity death benefit law, which currently requires a return of premium, to provide that the premium returned should be reduced by amounts that the insurance company has already distributed to the policy owners as, for example, in the form of cash withdrawals, loans or qualified transfers.

Public Law 2011, chapter 163 also allows life insurance to be provided to trust groups without requiring that employers agree to serve as settlors of the trust. This change will permit the creation of trust groups adopted by two or more employers instead of limiting the law to trusts established by employers.

LD 882

An Act To Limit Health Care Mandates

Carried Over

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

This bill prohibits carriers from offering a health plan in this State on or after January 1, 2014 that exceeds the minimum essential benefits package determined in accordance with federal law. The bill also requires the Department of Professional and Financial Regulation, Bureau of Insurance to evaluate the minimum essential