

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
125<sup>TH</sup> 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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STATE OF MAINE  
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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 125<sup>th</sup> 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 125<sup>th</sup> 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.

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benefits package to be determined by the Secretary of the United States Department of Health and Human Services in comparison to existing mandated health insurance benefits required by state law. The bill directs the bureau to determine which mandated benefits are not included in the federal minimum essential benefits package and develop proposed legislation to eliminate those mandated benefits in state law. The bureau must submit its report within three months of the adoption of the minimum essential benefits package. The bill authorizes the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters to report out a bill based on the report to the First Regular Session of the 126th Legislature.

LD 882 was carried over to any special and/or regular session of the 125th Legislature pursuant to joint order, H.P. 1190.

**LD 891      An Act To Amend the Maine Consumer Credit Code Regarding Interest Charged on Deferred Payments      PUBLIC 87**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SNOWE-MELLO	OTP	

Under the Maine Consumer Credit Code, interest and costs are allowed to accrue in connection with a deferred first periodic payment only if the payment is deferred for no more than 90 days. This bill changes the limitation to 120 days.

**Enacted Law Summary**

Under the Maine Consumer Credit Code, interest and costs are allowed to accrue in connection with a deferred first periodic payment only if the payment is deferred for no more than 90 days. Public Law 2011, chapter 87 changes the limitation to 120 days.

**LD 892      An Act To Establish an Insurance Fraud Division within the Department of Professional and Financial Regulation, Bureau of Insurance      ACCEPTED REPORT A (ONTP)**

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

This bill establishes the Insurance Fraud Division within the Department of Professional and Financial Regulation, Bureau of Insurance. The bill requires insurers with knowledge or suspicion of fraudulent insurance acts to report those activities to the Superintendent of Insurance. The bill provides for the confidentiality of records relating to insurance fraud investigations in a manner similar to the provision of confidentiality under current state law for investigative and intelligence information in the possession of other law enforcement entities. The bill does permit the Insurance Fraud Division to share investigatory information with certain national and international agencies. The bill also extends the immunity provision in current law to certain communications between insurers with respect to fraudulent insurance acts.

**Committee Amendment "A" (S-211)**

This amendment replaces the bill. The amendment proposes substantially what the bill proposes but enacts a

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separate chapter that establishes the Insurance Fraud Division within the Department of Professional and Financial Regulation, Bureau of Insurance. The amendment requires insurers with knowledge or suspicion of fraudulent insurance acts to report those activities to the Insurance Fraud Division. The amendment provides for the confidentiality of records relating to insurance fraud investigations in a manner similar to the provision of confidentiality under current state law for investigative and intelligence information in the possession of other law enforcement entities. The amendment permits the Insurance Fraud Division to share investigatory information with certain state, municipal, national and international agencies. The amendment clarifies that the Insurance Fraud Division may be funded by an assessment on insurers. The amendment also adds an appropriations and allocations section to provide funds for the administration of the Insurance Fraud Division.

Committee Amendment "A" was not adopted.

**LD 899      An Act To Disclose Insurance Policy Options to Senior Citizens      ONTP**

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

This bill requires every insurer, insurance agent or insurance broker when selling, offering or renewing any insurance policy, plan, contract, certificate or benefit to a person 65 years of age or older to inform the person of any comparable government-offered or government-sponsored policy, plan, contract, certificate or benefit for which the person may qualify, such as Medicare.

**LD 934      An Act To Reform the Dirigo Health Program      ONTP**

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

This bill is a concept draft pursuant to Joint Rule 208. The bill proposes to reform the Dirigo Health Program established under the Maine Revised Statutes, Title 24-A, chapter 87.

**LD 950      An Act To Exempt Health Care Sharing Ministries from Insurance Requirements      PUBLIC 192**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU	OTP-AM MAJ ONTP MIN	S-77

This bill exempts a health care sharing ministry from the definition of "health insurance" under the Maine Insurance Code.

**Committee Amendment "A" (S-77)**

The bill defines "health care sharing ministry" and exempts these ministries from regulation as insurers under the