

# 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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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.

**Joint Standing Committee on Insurance and Financial Services**

release from the registry of deeds rather than within 30 days of recording the release in the registry of deeds. The amendment also requires that the release be sent by first class mail to the mortgagor rather than by certified mail.

**Enacted Law Summary**

Public Law 2011, chapter 146 requires that, within 30 days after receipt of the release from the registry of deeds, the mortgagee must send the release by first class mail to the mortgagor's address as listed in the mortgage or to an address specified by the mortgagor for this purpose. A mortgagee who fails to provide the release to the mortgagor in the manner specified is liable to an aggrieved party for damages equal to exemplary damages of \$500.

**LD 1030      An Act To Reduce Costs for Small Businesses      Carried Over**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EVES BRANNIGAN		

This bill is a concept draft pursuant to Joint Rule 208. The bill proposes to establish subsidies, tax credits and other initiatives designed to lower the employer and employee costs of health insurance provided through small business owners to their employees. The bill would dedicate fees currently assessed on health insurers for funding affordable health care coverage to eligible small employers to fund the subsidies, tax credits and other initiatives proposed in the bill.

LD 1030 was carried over to any special and/or regular session of the 125th Legislature pursuant to joint order, H.P. 1190.

**LD 1089      An Act To Require That Homeowner's Insurance Covers Rental Equipment      ONTP**

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

This bill removes the exclusion of coverage under property insurance policies applicable to loss or damage to personal property used for commercial or industrial enterprises if the personal property is rental equipment.

**LD 1162      An Act To Allow Members of Professional Associations To Purchase Health Insurance across State Lines      ONTP**

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

This bill enhances the availability of association group health plans issued in another state by removing the current restrictions on coverage.

While LD 1162 was voted "Ought Not to Pass", a related substantive provision permitting insurers authorized to

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transact individual health insurance in Connecticut, Massachusetts, New Hampshire or Rhode Island to offer health plans in Maine under certain conditions was included in LD 1333, An Act to Modify Rating Practices for Individual and Small Group Health Plans and to Encourage Value-based Purchasing of Health Care Services. See LD 1333, which was enacted as Public Law 2011, chapter 90.

**LD 1175      An Act To Allow a Homeowner To Insure a Residence for Less than      ONTP**  
**Actual Cash Value**

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

This bill allows a homeowner to insure the primary residence of the homeowner for an alternative insured value, which is no more than the actual cash value of the residence. It requires the execution of a rider that meets the requirements of the Superintendent of Insurance within the Department of Professional and Financial Regulation to indicate the homeowner's choice of insuring at the alternative insured value. It requires the superintendent to adopt routine technical rules to establish the approved form for the alternative insured value rider.

**LD 1179      An Act To Require Advance Review and Approval of Certain Small      Carried Over**  
**Group Health Insurance Rate Increases and To Implement the**  
**Requirements of the Federal Patient Protection and Affordable Care**  
**Act**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODE BRANNIGAN		

Part A of the bill makes the rate review process for small group health insurance rates the same as the process for individual health insurance. Part A requires that, if a filing proposes an increase in rates in a small group health plan, the Superintendent of Insurance shall hold a hearing on the proposed rate increase at the request of the Attorney General. Part A makes it clear that in any hearings the burden of proving proposed rates are not excessive, inadequate or unfairly discriminatory is on the insurer. Part A also repeals the optional rate review process that permits small group health insurers that meet a minimum 78% medical loss ratio to file rates with the Department of Professional and Financial Regulations, Bureau of Insurance for informational purposes.

Part B of the bill amends the Maine Insurance Code to conform to the requirements of the federal Patient Protection and Affordable Care Act, Public Law 111-148. Part B also authorizes the Superintendent of Insurance to amend rules for consistency with the requirements of the federal law and any regulations adopted pursuant to that law.

LD 1179 was carried over to any special and/or regular session of the 125th Legislature pursuant to joint order, H.P. 1190.