

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

**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

**MEMBERS:**

SEN. RODNEY L. WHITTEMORE, CHAIR  
SEN. LOIS A. SNOWE-MELLO  
SEN. JOSEPH C. BRANNIGAN

REP. WESLEY E. RICHARDSON, CHAIR  
REP. JONATHAN B. MCKANE  
REP. JOYCE A. FITZPATRICK  
REP. SUSAN E. MORISSETTE  
REP. JOHN J. PICCHIOTTI  
REP. SHARON ANGLIN TREAT  
REP. ADAM GOODE  
REP. HENRY E. M. BECK  
REP. TERRY K. MORRISON  
REP. PAULETTE G. BEAUDOIN

**STAFF:**

COLLEEN MCCARTHY REID, LEGISLATIVE ANALYST  
OFFICE OF POLICY AND LEGAL ANALYSIS  
13 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1670

STATE OF MAINE  
125<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

plans offered by health insurers.

2. It clarifies that a policy meeting both the definition of a group health policy and the description of a blanket policy is a group health policy and clarifies that rates for blanket health policies must be filed for informational purposes.
3. It clarifies that short-term health insurance policies are not subject to guaranteed issue, guaranteed renewal or community rating provisions.
4. It amends the definition of "federally creditable coverage" to eliminate a syntax problem that created an ambiguity.
5. It amends the guaranteed renewability laws to clarify that when a carrier ceases offering an individual or small group product, policyholders, and in some cases certificate holders, are offered the opportunity to purchase any other product the carrier offers to that market.
6. It corrects a cross-reference.

Public Law 2011, chapter 238 also eliminates the independent producer authority for resident and nonresident insurance producers.

**LD 1554**

### **An Act To Implement the Requirements of the Federal Patient Protection and Affordable Care Act**

**PUBLIC 364**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON W	OTP-AM	H-545

This bill amends the state health insurance laws to incorporate changes to implement the requirements of the federal Patient Protection and Affordable Care Act adopted in 2010.

#### **Committee Amendment "A" (H-545)**

This amendment replaces the bill and does the following.

1. It retains provisions in the bill that amend the health insurance laws to incorporate changes to implement the requirements of the federal Patient Protection and Affordable Care Act.
2. It removes the provisions in the bill that are inconsistent with changes made in Public Law 2011, chapter 90 related to rating for individual and small group health plans.
3. It removes the provisions in the bill that define "Affordable Care Act" and conform state law to federal law relating to minimum medical loss ratios as these provisions are included in Public Law 2011, chapter 90.
4. It makes technical changes and adds cross-references.
5. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to submit its proposed transitional reinsurance program and risk adjustment program and information related to the federal risk corridors program to the Legislature for review no later than January 1, 2013.

#### **Enacted Law Summary**

*Joint Standing Committee on Insurance and Financial Services*

Public Law 2011, chapter 364 amends the health insurance laws to incorporate changes to implement the requirements of the federal Patient Protection and Affordable Care Act.

**LD 1555      An Act To Eliminate the Waiting Period before Insurance Adjusters  
May Offer Adjustment Services      ONTP**

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

This bill repeals the provision of law that prohibits an insurance adjuster from soliciting or offering adjustment services to a person for at least 36 hours after an accident or occurrence for which that person may have a claim.

**LD 1580      An Act To Further Improve Maine's Health Insurance Law      INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE	OTP-AM	

This bill amends "An Act To Modify Rating Practices for Individual and Small Group Health Plans and To Encourage Value-based Purchasing of Health Care Services" to remove the exemption from assessment imposed on Legislators and their dependents, thus requiring insurers to pay the \$4 per month per person assessment for policies insuring Legislators and their dependents. The bill provides that insurers shall directly bill Legislators for the costs of the assessment.

While LD 1580 was indefinitely postponed, a related bill, LD 1587, An Act to Further Improve Maine's Health Insurance Laws, was introduced as a replacement. See LD 1587, which was enacted as Public Law 2011, chapter 452.

**LD 1582      Resolve, Creating the Advisory Committee on Maine's Health Insurance  
Exchange      RESOLVE 105  
EMERGENCY**

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

This resolve is reported out pursuant to joint order by the Joint Standing Committee on Insurance and Financial Services. The resolve creates the Advisory Committee on Maine's Health Insurance Exchange. The charge of the advisory committee is to make recommendations to the Legislature and to the Governor on courses of action to ensure federal funding for the creation of a health insurance exchange and to provide draft enabling legislation for the creation of a health insurance exchange.

**Enacted Law Summary**

Resolve 2011, chapter 105 creates the Advisory Committee on Maine's Health Insurance Exchange. The charge