

# MAINE STATE LEGISLATURE

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



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

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

June 2012

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# STATE OF MAINE

125<sup>TH</sup> LEGISLATURE  
SECOND 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 Second 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.

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

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125<sup>th</sup> Legislature is Thursday, August 30, 2012. 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 1717      An Act To Establish a Preneed Life Insurance Producer License and Preneed Life Insurance Product for Prearranged Funeral Plans      ONTP**

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

This bill makes the following changes to expand the availability of preneed life insurance products as a means of funding prearranged funeral plans.

1. It authorizes a limited line preneed life insurance product and a limited line preneed life insurance producer license.
2. It repeals the prohibition on an insurer retaining or employing a funeral establishment or its employees as producers.
3. It authorizes the payment of commissions in connection with the sale of limited line preneed life insurance by producers who are duly licensed to make such sales.
4. For purposes of the laws governing funeral practices, it limits impermissible solicitations of prearranged funeral plans to uninvited telephone and door-to-door contacts.
5. It requires that an authorized representative of a mortuary sign a prearranged funeral or burial plan.

**LD 1769      An Act Regarding Subrogation of Medical Payments Coverage      PUBLIC 509**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PICCHIOTTI WHITTEMORE	OTP MAJ ONTP MIN	

Current law prohibits a claim for subrogation for an award or settlement under the medical payments coverage in a casualty insurance policy if the award or settlement does not exceed \$20,000. This bill removes that prohibition.

**Enacted Law Summary**

Public Law 2011, chapter 509 repeals the provision in current law that prohibits insurers from subrogating claims for medical payments below \$20,000.

**LD 1773      An Act Regarding Insurance Adjusters and Reporting Requirements for Insurance Companies      PUBLIC 554**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING WHITTEMORE	OTP-AM MAJ ONTP MIN	H-735

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

This bill provides that the performance of clerical activities associated with licensed adjuster activities for portable electronic devices does not require an adjuster's license. It requires insurance companies to notify the Superintendent of Insurance of all executive officers and directors of entities owning and individuals owning 51% or more of their outstanding voting securities. It clarifies the reporting standards for nonresident insurance companies. It adds provisions governing the licensure of a resident of Canada as an adjuster.

**Committee Amendment "A" (H-735)**

This amendment is the majority report and makes the following changes to the bill.

1. It makes clarifying changes to the provision that provides an exemption from licensing for certain individuals that perform clerical activities associated with claims adjustment for portable electronic device insurance.
2. It removes language related to the reporting requirements for nonresident business entities.
3. It removes the provision related to the licensure of a resident of Canada as an insurance adjuster.

**Enacted Law Summary**

Public Law 2011, chapter 554 provides that the performance of clerical activities associated with licensed adjuster activities for portable electronic devices does not require an adjuster's license. The law exempts individuals employed by a licensed adjuster or the adjuster's affiliate who collect claims information from, or furnish claims information to, insureds or claimants and conduct data entry into an automated claims adjudication system as long as no more than 25 of these individuals are under the supervision of one licensed adjuster or insurance producer.

The law also requires business entities licensed as insurance producers, adjusters or consultants to notify the Superintendent of Insurance of all executive officers and directors of entities owning and individuals owning 51% or more of their outstanding voting securities.

**LD 1893      Resolve, Regarding Legislative Review of Portions of Chapter 850:  
Health Plan Accountability, a Major Substantive Rule of the  
Department of Professional and Financial Regulation**

**RESOLVE 150  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-849

This resolve provides for legislative review of portions of Chapter 850: Health Plan Accountability, a major substantive rule of the Department of Professional and Financial Regulation.

**Committee Amendment "A" (H-849)**

This amendment authorizes final adoption of portions of Chapter 850: Health Plan Accountability as long as the provision related to access to behavioral health care practitioners is amended to require the reasonable availability of those practitioners within a carrier's delivery system.

**Enacted Law Summary**

Resolve 2011, chapter 150 authorizes final adoption of portions of Chapter 850: Health Plan Accountability, a major substantive rule, as long as the provision related to access to behavioral health care practitioners is amended to require the reasonable availability of those practitioners within a carrier's delivery system.