

MAINE STATE LEGISLATURE

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STATE OF MAINE
126TH LEGISLATURE
FIRST REGULAR SESSION



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

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

July 2013

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126TH LEGISLATURE

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 126th 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 126th Legislature is October 9, 2013. 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 546 An Act To Improve Transparency and Oversight of the Maine
Guaranteed Access Reinsurance Association and To Make Changes
Necessary To Comply with Federal Law**

ONTP

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

This bill makes the following changes to the laws governing the Maine Guaranteed Access Reinsurance Association:

1. It makes meetings of the Board of Directors of the Maine Guaranteed Access Reinsurance Association public under the State's freedom of access laws unless the board holds executive sessions as permitted under the State's freedom of access laws;
2. It adds 2 consumer members to the Board of Directors and reduces the number of board members who are representatives of insurers from 5 to 3;
3. It suspends the authority of the association to collect assessments and premiums or provide reinsurance and reimbursement for 3 years, from January 1, 2014 until December 31, 2016 and also requires that the association submit a revised plan of operation to the Superintendent of Insurance before resuming operations;
4. It provides that the association may not provide reinsurance or reimbursement to a member insurer unless the insurer meets the 80% minimum medical loss ratio for individual health insurance established under federal and state law; and
5. It directs the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters to evaluate the transitional reinsurance program operating in the State from January 1, 2014 until December 31, 2016 under federal law. Before January 1, 2016, the committee is required to make a recommendation to the Legislature whether the Maine Guaranteed Access Reinsurance Association should resume operations and whether statutory changes should be made. The Joint Standing Committee on Insurance and Financial Services may report out a bill based on its recommendations to the Second Regular Session of the 127th Legislature.

While LD 546 was voted "Ought Not to Pass", related substantive provisions were included in Committee Amendment "A" to LD 1167, An Act Regarding the Maine Guaranteed Access Reinsurance Association, which was enacted as Public Law 2013, chapter 273. See LD 1167.

**LD 547 An Act To Ensure the Accountability of Taxpayer Funds and State
Collaboration, Planning and Oversight in the Implementation and
Operation of a Health Exchange in Maine**

ONTP

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

Part A of this bill clarifies that the provisions relating to navigators apply only to any state-based health exchange that may be established in this State pursuant to the federal Patient Protection and Affordable Care Act, as amended by the federal Health Care and Education Reconciliation Act of 2010. It also clarifies that certain activities may be performed by a navigator without a license as an insurance producer or being subject to regulation as an insurance business.

Joint Standing Committee on Insurance and Financial Services

Part B of this bill allows an insurance company authorized to do business in Vermont to offer individual health insurance for sale in this State. Current law is limited to insurance companies authorized to do business in Connecticut, Massachusetts, New Hampshire and Rhode Island.

Part C of this bill establishes the Maine Health Exchange Advisory Board to advise the Federal Government, the Governor, the Legislature, the Department of Health and Human Services and the Department of Professional and Financial Regulation, Bureau of Insurance on the implementation and operation of a health exchange in this State pursuant to the federal Patient Protection and Affordable Care Act. The advisory board is comprised of 17 members, including 5 members who are Legislators.

While LD 547 was voted "Ought Not to Pass", related substantive provisions as proposed in the bill were included in Committee Amendment "A" to LD 1094, An Act to Ensure State Coordination and Oversight of Health Plans, which was enacted as Public Law 2013, chapter 388. See LD 1094.

LD 580 An Act To Prohibit Denial of Insurance Coverage When a Building Contains a Wood Stove ONTP

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

This bill requires an insurance policy to provide coverage for a property containing a wood stove if the installation of the stove has been inspected and approved by the municipal building official and meets all applicable fire safety codes and ordinances.

LD 602 An Act Regarding the Regulation of Consumer Finance Companies ACCEPTED MAJORITY (ONTP) REPORT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BECK CAIN	ONTP OTP-AM	

This bill updates the allowable finance charges on consumer loans by companies subject to the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection.

Committee Amendment "A" (H-139)

This amendment is the minority report of the committee. The amendment updates the allowable finance charges on consumer loans by companies subject to the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection and requires the finance charges to be calculated according to the simple interest method.

Committee Amendment "A" was not adopted.