

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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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 848 **Resolve, Directing the Bureau of Insurance To Amend Its Rules
Pertaining to 3rd-party Notice of Cancellation**

RESOLVE 39

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| HOBBS | OTP-AM | H-152 |

This bill adds provisions to the Maine Insurance Code to allow an insured person who had been paying for health insurance through a payroll plan a period of 60 days after the insured person is no longer on the payroll plan to designate at least one other person to receive notice of lapse or termination of the policy.

Committee Amendment "A" (H-152)

This amendment replaces the bill with a resolve directing the Department of Professional and Financial Regulation, Bureau of Insurance to amend Bureau of Insurance Rule Chapter 580 regarding 3rd-party notice of cancellation to add an additional alternative for compliance with notice requirements. Under this 3rd alternative, an insurer may defer collection of 3rd-party notification information while an insured pays a premium through a payroll deduction plan.

Enacted Law Summary

Resolve 2013, chapter 39 directs the Department of Professional and Financial Regulation, Bureau of Insurance to amend Bureau of Insurance Rule Chapter 580 regarding 3rd-party notice of cancellation to add an additional alternative for compliance with notice requirements. Under this 3rd alternative, an insurer may defer collection of 3rd-party notification information while an insured pays a premium through a payroll deduction plan.

LD 891 **An Act To Create Uniform Claims Paying Practices in Long-term Care
Insurance Policies**

**PUBLIC 278
EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| LANGLEY | OTP-AM | S-147 |

This bill requires a long-term care insurer to pay a claim to an insured within 14 business days of receipt of all necessary documentation identified by the insurer. A claim that is not paid within 14 business days is overdue and subject to interest of 1 1/2% per month after the due date.

Committee Amendment "A" (S-147)

This amendment replaces the substantive provisions of the bill, but retains the emergency preamble and emergency clause. The amendment requires a long-term care insurer to pay a claim to an insured within 30 days of receipt of all necessary documentation identified by the insurer, which extends the time from 14 days as proposed in the bill. The amendment also provides that insurers may delay payment of claims and request additional information related only to substantive issues, which are required to be designated through rules.

Enacted Law Summary

Public Law 2013, chapter 278 requires a long-term care insurer to pay a claim to an insured within 30 days of receipt of all necessary documentation identified by the insurer. The law also provides that insurers may delay payment of claims and request additional information related only to substantive issues, which are required to be designated through rules.

Public Law 2013, chapter 278 was enacted as an emergency measure effective June 18, 2013.