

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
126<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 2013

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# STATE OF MAINE

126<sup>TH</sup> 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 126<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 126<sup>th</sup> 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 1167 An Act Regarding the Maine Guaranteed Access Reinsurance Association**

**PUBLIC 273**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE TREAT	OTP-AM	S-126

This bill suspends the authority of the Maine Guaranteed Access Reinsurance Association from January 1, 2014 to December 31, 2016 or until such time as the transitional reinsurance program administered by the federal Department of Health and Human Services pursuant to the federal Patient Protection and Affordable Care Act is no longer operational. The bill also directs the Board of Directors of the Maine Guaranteed Access Reinsurance Association to amend the association's plan of operation and submit the amendment on or before October 1, 2013 to the Superintendent of Insurance for approval. The amended plan of operation must include, but is not limited to, an explanation of how operations will be suspended, the actions necessary to pay reinsurance on qualified claims attributable to the time period prior to January 1, 2014 and the actions necessary to suspend assessments.

**Committee Amendment "A" (S-126)**

This amendment replaces the bill and makes the following changes to the laws governing the Maine Guaranteed Access Reinsurance Association.

1. It requires the Board of Directors of the Maine Guaranteed Access Reinsurance Association to post its meeting schedule, meeting agenda and meeting minutes on its publicly accessible website. It requires the board to provide a mechanism on its website for the public to comment on matters related to the operations of the association and to establish a process for taking public comments at selected board meetings.
2. It adds one consumer member to the board and clarifies that that member may not be associated with or formerly associated with the medical profession, a hospital, an insurer or an insurance producer.
3. It suspends the authority of the association to collect assessments or provide reinsurance and reimbursement during the period in which the federal transitional reinsurance program is operating in this State and also requires that the association submit an amended plan of operation to the Superintendent of Insurance to address the operations of the association, the treatment of funds held by the association during the suspension period, the reactivation of the association and any necessary plan for distribution of any surplus funds not required for such purposes. It also requires the Superintendent of Insurance to allow a period of public comment on the amended plan of operation before it is approved by the superintendent.
4. 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 as to whether the Maine Guaranteed Access Reinsurance Association should resume operations and whether statutory changes should be made. The committee may submit a bill based on its recommendations to the Second Regular Session of the 127th Legislature.

**Enacted Law Summary**

Public Law 2013, chapter 273 makes the following changes to the laws governing the Maine Guaranteed Access Reinsurance Association.

1. It requires the Board of Directors of the Maine Guaranteed Access Reinsurance Association to post its meeting schedule, meeting agenda and meeting minutes on its publicly accessible website. It requires the board to provide a mechanism on its website for the public to comment on matters related to the operations of the association and to

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

establish a process for taking public comments at selected board meetings.

2. It adds one consumer member to the board and clarifies that that member may not be associated with or formerly associated with the medical profession, a hospital, an insurer or an insurance producer.

3. It suspends the authority of the association to collect assessments or provide reinsurance and reimbursement during the period in which the federal transitional reinsurance program is operating in this State and also requires that the association submit an amended plan of operation to the Superintendent of Insurance to address the operations of the association, the treatment of funds held by the association during the suspension period, the reactivation of the association and any necessary plan for distribution of any surplus funds not required for such purposes. It also requires the Superintendent of Insurance to allow a period of public comment on the amended plan of operation before it is approved by the superintendent.

4. 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 as to whether the Maine Guaranteed Access Reinsurance Association should resume operations and whether statutory changes should be made. The committee may submit a bill based on its recommendations to the Second Regular Session of the 127th Legislature.

**LD 1176      An Act To Require Health Insurers To Use One Geographic Area as Permitted by the Federal Patient Protection and Affordable Care Act      ONTP**

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

As permitted by the federal Patient Protection and Affordable Care Act, this bill requires health insurance carriers to use only one rating area based on geography within the State when establishing rates for individual and small group health plans issued or renewed on or after January 1, 2014.

While LD 1176 was voted "Ought Not to Pass", a related substantive provision requiring health insurance carriers to use only one rating area based on geography as proposed in the bill was included in Committee Amendment "A" to LD 161, An Act to Restrict a Health Insurance Carrier to Rating on the Basis of One Geographic Area. See LD 161.

**LD 1192      An Act Prohibiting Property Insurance Discrimination Based on Breed of Dog      ACCEPTED MAJORITY (ONTP) REPORT**

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

This bill prohibits the refusal to issue or the cancellation or nonrenewal of a property insurance policy or an increase in the premium for the policy solely on the basis of a policyholder's ownership of a certain breed of dog. The restrictions do not apply if a dog has been designated as a dangerous dog in accordance with state law.

**Committee Amendment "A" (H-243)**

This amendment is the minority report and clarifies a cross-reference in the bill.