

MAINE STATE LEGISLATURE

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STATE OF MAINE
126TH LEGISLATURE
SECOND REGULAR SESSION



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

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

May 2014

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STATE OF MAINE
126TH LEGISLATURE
SECOND REGULAR SESSION
LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

The *Digest* is arranged 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.

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 HOUSESHouse & 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
EMERGENCYenacted 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 Second Regular Session of the 126th Legislature is August 1, 2014. 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

The amendment also requires a health insurance carrier to disclose upon request from a provider the reason for the carrier's decision not to offer the provider the opportunity to participate, or to include the provider in any provider network of the carrier. The amendment requires that the written explanation indicate whether the reason was related to the provider's performance with respect to quality, cost or cost-efficiency. The amendment stipulates that a provider has no right of action as the result of such a disclosure.

Committee Amendment "B" (H-719)

This amendment is the minority report of the committee and replaces the bill. The amendment requires a health insurance carrier to disclose information about its provider networks, including whether there are any hospitals, health care facilities, physicians or other providers not included in the provider's network and any differences in an enrollee's financial responsibilities for payment of covered services to a participating provider and to a provider not included in a provider network. The amendment authorizes the Superintendent of Insurance to adopt rules setting forth the manner, content and required disclosure of the information and specifies that those rules are routine technical rules.

This amendment does not include the additional provision included in the majority report, which requires a health insurance carrier to disclose upon request from a provider the reason for not including the provider in the carrier's provider network.

Committee Amendment "B" was not adopted.

Enacted Law Summary

Public Law 2013, chapter 535 requires a health insurance carrier to disclose information about its provider networks, including whether there are any hospitals, health care facilities, physicians or other providers not included in the provider's network and any differences in an enrollee's financial responsibilities for payment of covered services to a participating provider and to a provider not included in a provider network. The law authorizes the Superintendent of Insurance to adopt rules setting forth the manner, content and required disclosure of the information and specifies that those rules are routine technical rules.

The law also requires a health insurance carrier to disclose upon request from a provider the reason for the carrier's decision not to offer the provider the opportunity to participate or to include the provider in any provider network of the carrier. The written explanation provided by the carrier must indicate whether the reason was related to the provider's performance with respect to quality, cost or cost-efficiency. The law stipulates that a provider has no right of action as the result of such a disclosure.

LD 1691 An Act To Stop Unlicensed Loan Transactions

PUBLIC 480

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POWERS GRATWICK	OTP-AM	H-615 S-408 GRATWICK

This bill establishes that it is an unfair or deceptive act or practice in commerce, a violation of the Maine Unfair Trade Practices Act, and a violation of the Maine Consumer Credit Code if a lender, including a payday lender, makes an unlicensed loan transaction or assists in such a transaction. The bill does not affect supervised financial organizations.

Committee Amendment "A" (H-615)

This amendment makes the following technical changes to the bill.

Joint Standing Committee on Insurance and Financial Services

- 1. It clarifies that the definition of "lender" applies only to the lending of money to be consistent with how the term is used in other areas of the Maine Consumer Credit Code.
- 2. It replaces the term "federally insured depository institution" with the term "supervised financial organization" to be consistent with other language used in the bill and in the Maine Consumer Credit Code.
- 3. It clarifies the violation of a person's or lender's providing assistance to a lender or processor when the person or lender has knowledge that the lender or processor is unlicensed by providing that the assistance must have been substantial.

Senate Amendment "A" (S-408)

This amendment provides that a processor does not include the nationwide automated electronic funds transfer system that provides for an interbank exchange of either checks or automated debit or credit entries.

Enacted Law Summary

Public Law 213, chapter 480 establishes that it is an unfair or deceptive act or practice in commerce, a violation of the Maine Unfair Trade Practices Act, and a violation of the Maine Consumer Credit Code, if a lender, including a payday lender, makes an unlicensed loan transaction or assists in such a transaction.

LD 1712	An Act To Make Technical Corrections to the Maine Consumer Credit Code To Facilitate the Multistate Licensing Process	PUBLIC 466
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<u>Sponsor(s)</u> WHITTEMORE	<u>Committee Report</u> OTP	<u>Amendments Adopted</u>
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This bill makes the following changes to the Maine Consumer Credit Code.

- 1. It makes changes to the laws governing the licensing of lenders who make supervised loans, and the licensing of loan brokers depending on whether those lenders and brokers make or arrange residential mortgage loans. Lenders and brokers who make or arrange residential mortgage loans must apply for and renew licenses electronically through the nationwide mortgage licensing system and registry. Different fees for licensing and renewal are charged depending on whether lenders and brokers make or arrange residential mortgage loans, since mortgage lenders receive one-year licenses and nonmortgage lenders receive two-year licenses.
- 2. It requires that each branch location license application to make supervised loans be accompanied by a surety bond in the amount of \$50,000.
- 3. It allows the Superintendent of Consumer Credit Protection to require a licensee to file quarterly reports.
- 4. It removes references to specific topics that must be covered in prelicensing education, testing, and continuing education for mortgage loan originators. It also repeals rule making provisions related to continuing education.

Enacted Law Summary

Public Law 2013, chapter 466 makes the following changes to the Maine Consumer Credit Code.

- 1. It makes changes to the laws governing the licensing of lenders who make supervised loans and the licensing of loan brokers depending on whether those lenders and brokers make or arrange residential mortgage loans. Lenders and brokers who make or arrange residential mortgage loans must apply for and renew licenses electronically through the nationwide mortgage licensing system and registry. Different fees for licensing and renewal are charged depending on whether lenders and brokers make or arrange residential mortgage loans, since mortgage lenders