

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<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**

August 2015

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# STATE OF MAINE

127<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 127<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. An appendix provides a summary of relevant session statistics.

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 First Regular Session of the 127<sup>th</sup> Legislature is October 15, 2015. 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*

security. The task force is composed of 13 members, including seven Legislators and six representatives of privacy and data security associations, consumer protection advocates, financial institutions, online retailers, technology companies and an organization whose mission is to protect the United States Constitution and the privacy of citizens. The amendment requires the task force to identify policy options for the State to consider to protect consumers from identity theft and fraud when making purchases online. The amendment requires the task force to report back to the Legislature before the Second Regular Session of the 127th Legislature.

### **LD 220      An Act To Require Proper Notification of Life Insurance Cancellation**

**PUBLIC 61  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOORE KATZ	OTP-AM OTP-AM	H-39

This bill requires insurers to provide notice of the lapse or termination of a life insurance policy by registered mail.

#### **Committee Amendment "A" (H-39)**

This amendment is the majority report of the committee. The amendment replaces the bill, which proposes to require individual life insurers to provide notice of termination of a life insurance policy by registered mail. The amendment requires the Maine Public Employees Retirement System to provide notice of cancellation of life insurance coverage administered by the Maine Public Employees Retirement System to an employee and any designated third party. The notice must be by mail. The amendment also allows an employee covered by the Maine Public Employees Retirement System to designate a third party to receive the cancellation notice. The amendment also adds an emergency preamble and clause.

#### **Committee Amendment "B" (H-40)**

This amendment is the minority report of the committee. The amendment replaces the bill, which proposes to require individual life insurers to provide notice of termination of a life insurance policy by registered mail. The amendment requires the Maine Public Employees Retirement System to provide notice of cancellation of life insurance coverage administered by the Maine Public Employees Retirement System to an employee and any designated third party. The notice must be by certified mail. The amendment also allows an employee covered by the Maine Public Employees Retirement System to designate a third party to receive the cancellation notice. The amendment also adds an emergency preamble and clause.

#### **Enacted Law Summary**

Public Law 2015, chapter 61 requires the Maine Public Employees Retirement System to provide notice of cancellation of life insurance coverage administered by the Maine Public Employees Retirement System to an employee and any designated third party by mail.

Public Law 2015, chapter 61 was enacted as an emergency measure effective May 10, 2015.

### **LD 243      An Act To Restore Consumer Rate Review for Health Insurance Plans in the Individual Market**

**Died Between  
Houses**

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

This bill amends the rate review process for individual health insurance. It requires advance review and prior

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

approval of individual health insurance rates. It requires the Superintendent of Insurance to hold a hearing if a filing proposes an increase in rates in individual health insurance plans. It requires the Superintendent of Insurance to disapprove premium rates unless the minimum medical loss ratio satisfies the statutory requirements for individual health plans. The changes apply to individual health plan rate filings submitted to the Department of Professional and Financial Regulation, Bureau of Insurance beginning with the 2016 plan or policy year. The bill also requires meetings of the Board of Directors of the Maine Guaranteed Access Reinsurance Association to be open to the public.

**Committee Amendment "A" (H-104)**

This amendment is the majority report of the committee. The amendment requires the Superintendent of Insurance to hold meetings in at least three locations throughout the State to allow public comment on a rate filing if the rate filing proposes an increase in rates in individual health insurance plans that exceeds the rate of medical inflation by two percent or more. The bill requires a hearing to be held pursuant to the Maine Administrative Procedure Act for every rate filing proposing an increase in rates in individual health plans. The changes in the amendment apply to rate filings beginning with the 2017 plan or policy year, instead of the 2016 plan or policy year as proposed in the bill.

The amendment also removes the section of the bill related to meetings of the Board of Directors of the Maine Guaranteed Access Reinsurance Association.

Committee Amendment "A" was adopted in the House, but was not adopted in the Senate.

<b>LD 251</b>	<b>An Act To Limit Allowable Health Care Charges in Certain Specified Situations</b>	<b>Accepted Minority (ONTP) Report</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK MORRISON	OTP-AM ONTP	

This bill limits a health plan enrollee's responsibility for the cost of covered health care when an enrollee receives health care services from an out-of-network provider at a participating hospital or other health care facility to the cost-sharing provisions for participating providers.

**Committee Amendment "A" (S-35)**

This amendment is the majority report of the committee. The amendment replaces the bill and changes the title. The amendment requires hospital and ambulatory surgical centers to disclose to patients when a health care provider rendering nonemergency surgical or other medical services is not employed by the hospital or ambulatory surgical center and may not be a participating provider in the patient's health insurance carrier network. The amendment also clarifies that the provision does not limit or change the application of the rules of the Department of Professional and Financial Regulation, Bureau of Insurance governing health plan accountability.

Committee Amendment "A" was not adopted.

<b>LD 289</b>	<b>An Act To Amend the Health Plan Improvement Law Regarding Prescription Drug Step Therapy</b>	<b>Veto Sustained</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROSEN	OTP-AM ONTP	S-104