

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH 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

127TH 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 127th 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 & 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&S XXX</i> | <i>chapter # of enacted private & 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 127th 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.

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This bill provides that the clinical review criteria used by a carrier in approving prescription drug step therapy must adhere to federal Food and Drug Administration prescription drug labeling and may not require failure on the same medication on more than one occasion for enrollees continuously enrolled in a health plan offered by the carrier. The bill also provides that the provisions may not be construed to prevent a health care practitioner from prescribing a medication for an off-label use or from prescribing a medication on more than one occasion when the health care practitioner determines it is medically appropriate.

If a carrier requires the failure on one or more drugs as a condition of prior authorization for a nonpreferred drug, the bill prohibits a carrier from collecting a copayment greater than the lowest cost preferred drug copayment in the same drug class from an enrollee that has satisfied the carrier's prior authorization requirements.

Committee Amendment "A" (S-104)

This amendment, which is the majority report of the committee, replaces the bill. The amendment provides that the clinical review criteria used by a carrier in approving prescription drugs may not prevent a health care practitioner from prescribing a medication for an off-label use, may not require failure on the same medication on more than one occasion for enrollees continuously enrolled in a health plan offered by the carrier and may not prevent a health care practitioner from prescribing a medication on more than one occasion when the health care practitioner determines it is medically appropriate.

The amendment also prohibits a carrier from requiring the failure on one or more drugs as a condition of prior authorization for a nonpreferred drug unless an enrollee has affirmatively agreed to the condition each time a carrier seeks to impose such a condition. The amendment does not restrict the cost-sharing imposed by a carrier.

LD 329

An Act To Allow Equipment Rental Companies To Sell Insurance

PUBLIC 77

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|--------------------------|-------------------------|---------------------------|
| PICCHIOTTI WHITTEMORE | OTP-AM ONTP | H-80 |

This bill allows a rental company to offer for sale an insurance policy insuring against the loss of or damage to equipment rented for personal or household purposes.

Committee Amendment "A" (H-80)

This amendment replaces the bill and is the majority report of the committee. The amendment reallocates section 1 of the bill, which allows a rental company to offer for sale an insurance policy insuring against the loss of or damage to equipment rented for personal or household purposes, to the appropriate subchapter of the Maine Insurance Code. The amendment establishes a licensing structure for equipment rental insurance that is the same as the licensing structure for insurance sold in connection with renting a motor vehicle. The amendment requires rental companies to obtain a business entity license to sell insurance in connection with renting equipment and requires at least one employee at each office of the rental company located in the State to obtain a limited lines insurance producer license. The amendment also adds provisions to clarify that the insurance sold in connection with rental equipment is a limited lines insurance product and applicants for a license to sell that insurance product are exempt from examination.

Enacted Law Summary

Public Law 2015, chapter 77 allows a rental company to offer for sale an insurance policy insuring against the loss of or damage to equipment rented for personal or household purposes. The law establishes a licensing structure for equipment rental insurance that is the same as the licensing structure for insurance sold in connection with renting a

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motor vehicle. The law requires rental companies to obtain a business entity license to sell insurance in connection with renting equipment and requires at least one employee at each office of the rental company located in the State to obtain a limited lines insurance producer license. The law also clarifies that the insurance sold in connection with rental equipment is a limited lines insurance product and applicants for a license to sell that insurance product are exempt from examination.

LD 336 Resolve, Directing the Finance Authority of Maine To Convene a Stakeholder Group To Develop Solutions To Reduce the Negative Effect of Student Loan Debt on Home Ownership Died Between Houses

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| FECTEAU DUTREMBLE | OTP-AM | H-30 |

This bill establishes the Homes for Student Loans Program within the Finance Authority of Maine. The bill directs the authority to develop a loan product that combines outstanding federal and state student loan debt with a home mortgage.

Committee Amendment "A" (H-30)

This amendment replaces the bill with a resolve that directs the Finance Authority of Maine to convene a stakeholder group to study the issues surrounding outstanding student loan debt and its negative effect on the ability of Maine residents to purchase homes. The amendment requires that the authority report the findings and recommendations of the stakeholder group, including suggested legislation, to the Joint Standing Committee on Insurance and Financial Services no later than January 1, 2016.

LD 337 An Act To Require Lienholders To Remove Liens Once Satisfied PUBLIC 210

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|---------------------|-------------------------|---------------------------|
| CAMPBELL R BURNS | OTP-AM ONTP | H-136 S-242 WHITTEMORE |

This bill requires a lienholder to remove a lien no later than 30 days after a lien has been satisfied and to provide written notice of the lien's discharge to any person provided notice at the time the lien was originally filed.

Committee Amendment "A" (H-136)

This amendment is the majority report of the committee and replaces the bill. Unless a specific time period is otherwise provided, the amendment requires a lienholder to remove a lien issued pursuant to the laws of this State no later than 60 days after a lien has been satisfied. The amendment also clarifies that the requirement does not apply to financing statements filed pursuant to the Uniform Commercial Code. The bill requires removal of a lien within 30 days and applies to all liens filed under state law. The amendment requires a lienholder to provide written notice by first-class mail of the lien's removal to any person provided notice at the time the lien was originally filed. The amendment also provides that a lienholder other than a municipality that fails to remove a lien is liable to a debtor or owner of the property for damages.

Senate Amendment "A" To Committee Amendment "A" (S-242)

This amendment removes the language in Committee Amendment "A" requiring a holder of a lien to provide written notice to any person who was provided notice of the lien at the time the lien was originally filed that the lien has been removed. In addition to exempting municipalities as provided in Committee Amendment "A", the amendment adds language exempting the State and other governmental entities from potential liability to a debtor for the failure