

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
128<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**

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# STATE OF MAINE

128<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 128<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.

*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 128<sup>th</sup> Legislature is Wednesday, November 1, 2017. 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*

4. It changes the requirement for a credit union to provide prior notice to the Department of Professional and Financial Regulation, Bureau of Financial Institutions when investing in, acquiring or establishing a credit union service corporation from 10 days to 30 days.
5. It adds a provision to the bill so that banks follow the same procedures proposed for credit unions when investing in, acquiring or establishing service corporations.

### **Enacted Law Summary**

Public Law 2017, chapter 143 updates the charter provisions for state-chartered credit unions.

1. The law puts state-chartered credit unions in line with their federally chartered counterparts by repealing the guaranty fund requirements and allowing dividend payments when the credit union establishes and maintains adequate levels of net worth. Currently, state-chartered credit unions must have a percentage of gross income set aside before there may be a dividend payment to a member. The law authorizes the Superintendent of Financial Institutions to adopt rules regarding the composition of net worth, the levels that must be maintained and procedures that must be followed to restore net worth if it falls below the minimum standard to continue to safeguard credit union members.
2. To ensure safe and smooth day-to-day operations of state-chartered credit unions and consistent with the trend followed by credit unions in other states, the law allows the manager or chief executive officer of a credit union, rather than the board of directors, to expel a member for certain types of conduct. The expelled member must be informed of the grounds for the expulsion and may appeal the expulsion.
3. The law increases the percentage of total surplus that state-chartered credit unions may invest in real estate and fixed assets from 50% to 60%.
4. The law provides parity between banks and credit unions for the limits on investments in a single service corporation or in multiple service corporations and permits a credit union to invest up to 20% of its net worth in a single service corporation and to invest up to 50% of its net worth in the aggregate in all service corporations.
5. To bring Maine's state charter in line with its federal counterpart, the law directs the superintendent to consider federal laws and regulations when determining whether a new credit union service corporation primarily serves a credit union or credit union members and removes a general reference to a statutory provision that in itself is not specific to credit unions and instead incorporates language from that provision that requires credit unions to notify the superintendent in writing 30 days prior to organizing as or investing in a credit union service corporation and vesting the superintendent with the power to prescribe the manner and form of the credit union service corporation's books and accounts. The law provides that banks follow the same procedures proposed for credit unions when investing in, acquiring or establishing service corporations.

### **LD 1064    An Act To Require That Health Insurance Policies Cover Medical Marijuana**

**Accepted Majority  
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINGS B JACKSON T	ONTP OTP-AM	

This bill requires health insurance carriers to provide coverage for marijuana for medical use for a health plan enrollee who has received certification for the medical use of marijuana from an authorized medical provider.

### **Committee Amendment "A" (H-460)**

This amendment is the minority report of the committee and replaces the bill. The amendment requires a health

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

insurance carrier to provide coverage for marijuana for medical use for a health plan enrollee who has received certification for the medical use of marijuana from an authorized medical provider. Carriers are required to directly reimburse a health plan enrollee for the costs of obtaining a medical marijuana certificate and the costs of medical marijuana. The requirements apply to all individual and group policies and contracts issued or renewed on or after January 1, 2019. The amendment also adds language exempting the amendment's provisions from review and evaluation pursuant to the Maine Revised Statutes, Title 24-A, section 2752.

This amendment was not adopted.

**LD 1138      An Act To Require Notification of Long-term Care Policy Proposed Rate Increases      Accepted Majority (ONTP) Report**

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

This bill requires the Department of Professional and Financial Regulation, Bureau of Insurance to notify a policyholder of a long-term care insurance policy of a proposed premium rate increase that affects the policyholder no later than 10 business days after the filing of the premium rate increase.

**Committee Amendment "A" (H-161)**

This amendment is the minority report of the committee and replaces the bill. The amendment requires the insurer to notify a policyholder of a long-term care insurance policy of a proposed premium rate increase that affects the policyholder no later than 10 business days after the filing of the premium rate increase. The bill requires that the notice be sent by the Department of Professional and Financial Regulation, Bureau of Insurance. The amendment also requires that the notice inform the policyholder of the policyholder's right to contact the Department of Professional and Financial Regulation, Bureau of Insurance to request a hearing on the proposed rate increase.

This amendment was not adopted.

**LD 1161      An Act To Amend the Insurance Laws Governing the Provision of Rebates      PUBLIC 84**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOW D COLLINGS B	OTP-AM ONTP	S-72

This bill amends the laws regarding rebates under life, health and annuity contracts and prohibiting unfair discrimination and rebates by property, casualty and surety insurers to allow a person to offer or provide services, whether or not the services are directly related to an insurance contract, for free or for less than fair market value as long as the receipt of the services is not contingent upon the purchase of insurance. It also requires a written or oral disclosure to be made to the recipient of the services that the services are not contingent on the purchase of insurance.

**Committee Amendment "A" (S-72)**

This amendment is the majority report of the committee and replaces the bill. This amendment retains the provision in the bill allowing a person to offer or provide services, whether or not the services are directly related to an insurance contract, for free or for less than fair market value, as long as the receipt of the services is not contingent upon the purchase of insurance and the recipient of the services is notified in writing that the services are not contingent on the purchase of insurance. The amendment also increases the dollar limits for permissible gifts in