

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
128<sup>TH</sup> LEGISLATURE  
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



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

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

October 2018

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# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions 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 dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128<sup>th</sup> Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. 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 1792      An Act To Improve Market Stability for Maine Residents Purchasing Individual Health Insurance Coverage      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE M	ONTP	

This bill directs the Board of Directors of the Maine Guaranteed Access Reinsurance Association, before proposing a revised plan of operation to resume operations before December 31, 2023, to study and propose a revised plan of operation that may include changes to current law as long as proposed changes are not made that increase the assessments set forth in the Maine Revised Statutes, Title 24-A, section 3957.

**LD 1875      An Act To Amend the Maine Life and Health Insurance Guaranty Association Act      PUBLIC 382**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP-AM	S-442

This bill amends the Maine Life and Health Insurance Guaranty Association Act to incorporate changes adopted by the National Association of Insurance Commissioners in its 2017 amendments to its Life and Health Insurance Guaranty Association Model Act.

Under the bill, for insolvencies and impairments occurring on and after July 1, 2018, health maintenance organizations are made members of the association and assessments arising out of long-term care insurance business, which are currently allocated entirely to the health insurance account, are divided equally between the life and health insurance industries.

The bill also makes various conforming amendments and technical corrections to the Maine Life and Health Insurance Guaranty Association Act and the Insurance Rehabilitation and Liquidation Law.

The bill allows an insurer that is a member of the Maine Life and Health Insurance Guaranty Association and is not subject to premium taxation to take the tax credit for certain assessments of the association against its income tax liability to this State. An insurer that is a member of the association and is exempt from both premium taxation and income taxation in this State may recoup these assessments by a surcharge on its premiums in an amount reasonably calculated to recoup these assessments over a reasonable period of time, as approved by the Superintendent of Insurance.

**Committee Amendment "A" (S-442)**

This amendment makes the following technical changes to the bill.

1. It adds a reference to a contract to clarify the application of the exception in the bill to any long-term benefits or health benefits provided through an annuity contract.
2. It clarifies that the exception in current law for obligations that do not arise under the express terms of the policy or contract applies to misrepresentation of annuity contracts.
3. It clarifies the specific provision that provides the guaranty association limits for long-term care insurance.
4. It clarifies that issuers of annuity contracts and health maintenance organizations are members of the guaranty association.

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

5. It adds a reference to an enrollee for consistency with other provisions in the bill.

### **Enacted Law Summary**

Public Law 2017, chapter 382 amends the Maine Life and Health Insurance Guaranty Association Act to incorporate changes adopted by the National Association of Insurance Commissioners in its 2017 amendments to its Life and Health Insurance Guaranty Association Model Act.

Under the law, for insolvencies and impairments occurring on and after July 1, 2018, health maintenance organizations are made members of the association and assessments arising out of long-term care insurance business, which are currently allocated entirely to the health insurance account, are divided equally between the life and health insurance industries.

The law also makes various conforming amendments and technical corrections to the Maine Life and Health Insurance Guaranty Association Act and the Insurance Rehabilitation and Liquidation Law.

The law allows an insurer that is a member of the Maine Life and Health Insurance Guaranty Association and is not subject to premium taxation to take the tax credit for certain assessments of the association against its income tax liability to this State. An insurer that is a member of the association and is exempt from both premium taxation and income taxation in this State may recoup these assessments by a surcharge on its premiums in an amount reasonably calculated to recoup these assessments over a reasonable period of time, as approved by the Superintendent of Insurance.

### **LD 1881      An Act To Authorize the Treasurer of State To Facilitate the Establishment of ABLÉ Accounts for Qualified Persons**

**PUBLIC 394  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M WHITTEMORE R	OTP-AM	H-717

Under the federal Achieving a Better Life Experience Act of 2014, also known as the ABLÉ Act of 2014, individuals with disabilities and the families of those individuals may establish federal tax-exempt savings accounts and use the funds from those accounts to pay for the care of the individual with a disability, similar to so-called 529 accounts that allow tax-deferred savings for college expenses. Under federal law, a state may establish ABLÉ Act savings accounts only with the authorization of the state.

The bill authorizes the Treasurer of State to establish the ABLÉ ME Savings Program in compliance with the ABLÉ Act of 2014. The Treasurer of State is authorized to adopt routine technical rules to implement the program, including rules to establish the terms and conditions of the program.

### **Committee Amendment "A" (H-717)**

This amendment adds an emergency preamble and emergency clause to the bill.

### **Enacted Law Summary**

Public Law 2017, chapter 394 authorizes the Treasurer of State to establish the ABLÉ ME Savings Program in compliance with the federal Achieving a Better Life Experience Act of 2014. Under the federal Achieving a Better Life Experience Act of 2014, also known as ABLÉ Act of 2014, individuals with disabilities and the families of those individuals may establish federal tax-exempt savings accounts and use the funds from those accounts to pay for the care of the individual with a disability, similar to so-called 529 accounts that allow tax-deferred savings for college expenses. Under federal law, a state may establish ABLÉ Act savings accounts only with the authorization of the State. The Treasurer of State may adopt routine technical rules to implement the program, including rules to