



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1837

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S.P. 720

In Senate, April 30, 2025

### **An Act to Amend the Laws Affecting Insurance**

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Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Health Coverage, Insurance and Financial Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator BAILEY of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24 MRSA §2320-A, sub-§5** is enacted to read:

3 **5. No cost-sharing requirements.** A nonprofit hospital and medical care service  
4 organization may not impose any cost-sharing requirements on a screening mammogram  
5 performed by a provider in accordance with this section. This subsection does not apply to  
6 an individual policy offered for use with a health savings account unless the United States  
7 Internal Revenue Service determines that the requirements in this subsection are  
8 permissible in a high deductible health plan as defined in the United States Internal  
9 Revenue Code of 1986, Section 223(c)(2).

10 **Sec. 2. 24-A MRSA §222, sub-§14, ¶C**, as enacted by PL 1975, c. 356, §1, is  
11 amended by amending subparagraph (2) to read:

12 ~~(2) After notice and hearing impose by order and administrative forfeiture upon~~  
13 ~~such person, enforceable by such revocation, suspension or refusal to issue, renew~~  
14 ~~or reissue of any such license or licenses or otherwise pursuant to the law of this~~  
15 ~~State, in an amount not to exceed \$100~~ Impose civil penalties in accordance with  
16 section 12-A for each such violation and for each day's continuance thereof;

17 **Sec. 3. 24-A MRSA §222, sub-§14, ¶C**, as enacted by PL 1975, c. 356, §1, is  
18 amended by repealing subparagraph (3).

19 **Sec. 4. 24-A MRSA §222, sub-§14, ¶C**, as enacted by PL 1975, c. 356, §1, is  
20 amended by amending subparagraph (5) to read:

21 (5) Any or all of the foregoing;

22 **Sec. 5. 24-A MRSA §222, sub-§14, ¶D** is enacted to read:

23 D. The superintendent may proceed in a court of competent jurisdiction within or  
24 without this State for an injunction to prevent a violation of this section, to reverse or  
25 hold invalid any transaction made in violation of this section or in violation of a rule  
26 adopted or order issued pursuant to this section, to enforce any order issued pursuant  
27 to this section and for other equitable relief as the nature of the case and the interest of  
28 the insurer's policyholders, creditors and shareholders or the public may require.

29 (1) If the superintendent finds probable cause that a violation of this section  
30 constitutes grounds provided for the rehabilitation, conservatorship or liquidation  
31 of an insurer, the superintendent may initiate a delinquency proceeding under  
32 chapter 57.

33 (2) The Superior Court may, on the application of an insurer or the superintendent:

34 (a) Enjoin any offer, request, invitation, agreement or acquisition made in  
35 contravention of this section or any rule adopted or order issued by the  
36 superintendent pursuant to this section;

37 (b) Enjoin the voting of any security that is the subject of any agreement or  
38 arrangement regarding acquisition or that is acquired or to be acquired in  
39 contravention of the provisions of this section or of any rule adopted or order  
40 issued by the superintendent and, if appropriate, may void any vote of the  
41 security already cast at any meeting of shareholders;

1                   (c) Seize or sequester any voting securities of the insurer owned or controlled  
2                   directly or indirectly by a person who has acquired or is proposing to acquire  
3                   a voting security of the insurer in violation of this section or any rule adopted  
4                   or order issued by the superintendent; and

5                   (d) Issue any other order as may be appropriate to effectuate the provisions of  
6                   this section.

7                   **Sec. 6. 24-A MRSA §222, sub-§14-C** is enacted to read:

8                   **14-C. Prohibited voting of securities.** In regard to a security that is the subject of  
9                   any agreement or arrangement regarding acquisition or that is acquired or to be acquired in  
10                   contravention of the provisions of this section or of any rule adopted or order issued by the  
11                   superintendent, a person may not vote the security at any shareholder’s meeting or count  
12                   the security for quorum purposes, and any action of shareholders requiring the affirmative  
13                   vote of a percentage of shares may be taken as though the securities were not issued and  
14                   outstanding. An action taken at any meeting at which a security described by this section  
15                   has been voted is not invalidated by the voting of the security unless the action would  
16                   materially affect control of the insurer or unless the courts of this State have so ordered.

17                   **Sec. 7. 24-A MRSA §414, sub-§4,** as amended by PL 1991, c. 828, §13, is further  
18                   amended to read:

19                   **4.** Insurers required to file an annual statement must, as a condition to the issuance or  
20                   continuance of a certificate of authority, provide the National Association of Insurance  
21                   Commissioners with all information required for participation in the Insurance Regulatory  
22                   Information System. This filing must contain the insurer's current annual statement  
23                   convention blank and, if requested by the superintendent or the National Association of  
24                   Insurance Commissioners, publicly available financial reports of any affiliated insurers or  
25                   other entities necessary for analyzing any insurer licensed in this State. Each statement  
26                   furnished by an insurer must be ~~manually~~ executed by those persons who are required by  
27                   section 423 to verify an annual statement utilizing the prescribed jurat following the  
28                   practices and procedures prescribed by the National Association of Insurance  
29                   Commissioners. Any amendments and addendums to the annual statement subsequently  
30                   filed with the superintendent must also be filed with the National Association of Insurance  
31                   Commissioners. Insurers shall provide written certification to the superintendent that they  
32                   have complied with this subsection when they file their annual statements. This subsection  
33                   does not apply to any insurer doing business under chapter 51.

34                   In the absence of bad faith, fraud or intentional act, an officer or an employee of the  
35                   National Association of Insurance Commissioners may not be subject to civil liability for  
36                   libel, slander or any other cause of action in tort as a result of processing data or other  
37                   information filed by insurers under this subsection or distribution of reports prepared on  
38                   the basis of that information to insurance regulatory officials of any state that has  
39                   subscribed to and used the Insurance Regulatory Information System through the National  
40                   Association of Insurance Commissioners. Information provided to the superintendent that  
41                   is held confidential by the National Association of Insurance Commissioners must be held  
42                   confidential by the superintendent unless that information is relevant to any hearing  
43                   conducted by the superintendent pursuant to section 229 or an order requiring disclosure is  
44                   issued by the Superior Court.

1           **Sec. 8. 24-A MRSA §601, sub-§16, ¶A-1**, as amended by PL 2009, c. 232, §1, is  
2 further amended to read:

3           A-1. For filing application for authority to self-insure under Title 39-A, section 403,  
4 subsection 16, including all documents submitted as part of the application, \$500; and

5           **Sec. 9. 24-A MRSA §601, sub-§16, ¶B**, as amended by PL 2009, c. 232, §1, is  
6 further amended to read:

7           B. For authorization and each annual continuation, ~~\$300~~ \$400; ~~and~~.

8           **Sec. 10. 24-A MRSA §601, sub-§16, ¶C**, as amended by PL 2009, c. 232, §1, is  
9 repealed.

10           **Sec. 11. 24-A MRSA §2001-A**, as enacted by PL 2011, c. 331, §1 and affected by  
11 §§16 and 17, is amended to read:

12 **§2001-A. Scope**

13           This Except as provided by section 2002-A, subsection 1, this chapter applies  
14 exclusively to transactions when this State is the home state of the applicant or insured.  
15 Nothing in this chapter applies to the sale, solicitation, negotiation, placement or writing of  
16 contracts of insurance for eligible lines of business for any applicant or insured whose home  
17 state is in a jurisdiction other than in this State.

18           **Sec. 12. 24-A MRSA §2002-A, sub-§1**, as amended by PL 2019, c. 20, §1, is  
19 further amended to read:

20           1. The following kinds of insurance must be procured from authorized insurers and  
21 are not eligible for export in the surplus lines market:

22           A. Life insurance;

23           B. Health insurance, except disability insurance; ~~or~~

24           C. Employee benefit excess insurance; or

25           D. Workers' compensation insurance.

26           **Sec. 13. 24-A MRSA §2002-A, sub-§2**, as enacted by PL 1993, c. 153, §16, is  
27 amended to read:

28           2. This surplus lines law may not be used to place reinsurance. ~~Nothing in this~~ This  
29 subsection prohibits does not prohibit the cession or assumption of reinsurance, including  
30 reinsurance of workers' compensation self-insurers, as otherwise permitted by this Title.

31           **Sec. 14. 24-A MRSA §2003, sub-§8**, as enacted by PL 2011, c. 331, §3 and  
32 affected by §§16 and 17, is amended to read:

33           8. "Nonadmitted insurance" means any ~~property and casualty~~ insurance permitted to  
34 be placed through a surplus lines ~~broker~~ producer with a nonadmitted insurer eligible to  
35 accept that insurance.

36           **Sec. 15. 24-A MRSA §2004, first ¶**, as enacted by PL 1969, c. 132, §1, is amended  
37 to read:

1 If certain insurance coverages cannot be procured from authorized insurers, such  
2 coverages, hereinafter designated "surplus lines," may be procured from ~~unauthorized~~  
3 nonadmitted insurers, subject to the following conditions:

4 **Sec. 16. 24-A MRSA §2006, sub-§2**, as amended by PL 1997, c. 592, §52, is  
5 further amended to read:

6 2. The producer shall file with or as directed by the superintendent a memorandum as  
7 to each such coverage placed by the producer ~~in an unauthorized~~ with a nonadmitted  
8 insurer, in such form and context as the superintendent may reasonably require for the  
9 identification of the coverage and determination of the tax payable to the State relative  
10 thereto.

11 **Sec. 17. 24-A MRSA §2007, sub-§2**, as amended by PL 1997, c. 592, §54, is  
12 further amended to read:

13 2. The superintendent shall from time to time publish a list of all surplus lines insurers  
14 determined by the superintendent to be eligible currently, and shall mail a copy of such list  
15 to each producer at the producer's office last of record with the superintendent. This  
16 subsection may not be construed to cast upon the superintendent the duty of determining  
17 the actual financial condition or claims practices of any ~~unauthorized~~ nonadmitted insurer;  
18 and the status of eligibility, if granted by the superintendent, may indicate only that the  
19 insurer appears to be sound financially and to have satisfactory claims practices, and that  
20 the superintendent has no credible evidence to the contrary. While any such list is in effect,  
21 the producer shall restrict to the insurers so listed all surplus lines business placed by the  
22 producer.

23 **Sec. 18. 24-A MRSA §2007, sub-§3, ¶A**, as enacted by PL 2011, c. 331, §4 and  
24 affected by §§16 and 17, is amended to read:

25 A. Is authorized to write such insurance in its domiciliary jurisdiction; and

26 **Sec. 19. 24-A MRSA §2007, sub-§3, ¶B**, as enacted by PL 2011, c. 331, §4 and  
27 affected by §§16 and 17, is repealed.

28 **Sec. 20. 24-A MRSA §2007, sub-§5**, as enacted by PL 2011, c. 331, §4 and  
29 affected by §§16 and 17, is amended to read:

30 5. A non-United States insurer is considered eligible to write insurance on ~~an~~  
31 unauthorized a nonadmitted basis in this State if it is listed on the quarterly listing of alien  
32 insurers maintained by the National Association of Insurance Commissioners.

33 **Sec. 21. 24-A MRSA §2008, sub-§2**, as amended by PL 1997, c. 592, §55, is  
34 further amended to read:

35 2. A producer may not issue any such certificate or any cover note, or purport to insure  
36 or represent that insurance will be or has been granted by any ~~unauthorized~~ nonadmitted  
37 insurer, unless the producer has prior written authority from the insurer for the insurance,  
38 or has received information from the insurer in the regular course of business that such  
39 insurance has been granted, or an insurance policy providing the insurance actually has  
40 been issued by the insurer and delivered to the insured.

41 **Sec. 22. 24-A MRSA §2009**, as amended by PL 1997, c. 592, §56, is repealed and  
42 the following enacted in its place:

1 **§2009. Identification and notice on contract and application**

2 The surplus lines licensee shall give a consumer notice to every person applying for  
3 insurance with a nonadmitted insurer. The notice must be printed in 16-point type on a  
4 separate document affixed to the application. The applicant shall sign and date a copy of  
5 the notice to acknowledge receiving it. The surplus lines licensee shall maintain the signed  
6 notice in its file for a period of 5 years from expiration of the policy. The surplus lines  
7 licensee shall send a copy of the signed notice to the insured at the time of delivery of each  
8 policy the licensee transacts with a nonadmitted insurer. The copy must be a separate  
9 document affixed to the policy. The notice must read as follows:

10 "**Notice:** A nonadmitted or surplus lines insurer is issuing the insurance policy that you  
11 have applied to purchase. These insurers do not participate in insurance guaranty funds.  
12 The guaranty funds will not pay your claims or protect your assets if the insurer becomes  
13 insolvent and is unable to make payments as promised. For additional information about  
14 the above matters and about the insurer, you should ask questions of your insurance agent,  
15 broker or surplus lines broker. You may also contact your insurance department consumer  
16 helpline."

17 An insurance contract procured and delivered as a surplus lines coverage under this  
18 chapter must contain or be accompanied by a notice in a form acceptable to the  
19 superintendent, a copy of which must be maintained by the licensee or the surplus lines  
20 producer with the records of the contract and available for possible examination, that  
21 includes a statement that:

22 1. The insurer with which the licensee places the insurance is not licensed by this  
23 State and is not subject to its supervision; and

24 2. In the event of the insolvency of the surplus lines insurer, losses will not be paid by  
25 any state insurance guaranty association.

26 **Sec. 23. 24-A MRSA §2009-A**, as enacted by PL 1989, c. 172, §1, is amended to  
27 read:

28 **§2009-A. Cancellation and or nonrenewal of surplus lines coverage**

29 **1. Notice.** ~~Cancellation and or nonrenewal by an insurer of surplus lines coverage~~  
30 ~~subject to this chapter shall is not be effective unless received by the named insured at least~~  
31 ~~14 days prior to the effective date of cancellation or, when the cancellation is for~~  
32 ~~nonpayment of premium, at least 10 days prior to the effective date of cancellation on or~~  
33 ~~before the date specified in this subsection. A postal service certificate of mailing to the~~  
34 ~~named insured at the insured's last known address shall be is conclusive proof of receipt on~~  
35 ~~the 5th calendar day after mailing. The notice must be received:~~

36 A. No later than the 30th day before policy expiration for any nonrenewal;

37 B. No later than the 10th day before the effective date of cancellation if the cancellation  
38 is for nonpayment of premium; or

39 C. No later than the 14th day before the effective date of any cancellation other than a  
40 cancellation for nonpayment of premium, or no later than the 20th day if required by  
41 section 3050.

42 **2. Exemption.** ~~Cancellation and or nonrenewal by an insurer of surplus lines coverage~~  
43 ~~subject to this chapter shall is not be subject to sections 2908 and 3007. Cancellation or~~

1 nonrenewal by an insurer of surplus lines coverage for risks identified in section 3048 is  
2 subject to chapter 41, subchapter 5, except those provisions of chapter 41, subchapter 5  
3 that, by their terms, apply to authorized insurers or the admitted market.

4 **Sec. 24. 24-A MRSA §2010**, as enacted by PL 1969, c. 132, §1, is amended to read:

5 **§2010. Surplus lines insurance valid**

6 Insurance contracts procured as surplus line coverage from ~~unauthorized~~ nonadmitted  
7 insurers in accordance with this chapter ~~shall be~~ are fully valid and enforceable as to all  
8 parties, and ~~shall~~ must be given recognition in all matters and respects to the same effect  
9 as like contracts issued by authorized insurers.

10 **Sec. 25. 24-A MRSA §2011**, as amended by PL 1997, c. 592, §57, is further  
11 amended to read:

12 **§2011. Insurer's liability for losses and unearned premiums**

13 **1.** As to a surplus lines risk that has been assumed by ~~an unauthorized~~ a nonadmitted  
14 insurer pursuant to this chapter, and if the premium has been received by the producer with  
15 surplus lines authority who placed such insurance, in all questions arising under the  
16 coverage as between the insurer and the insured the insurer is deemed to have received the  
17 premium due to it for such coverage; and the insurer is liable to the insured as to losses  
18 covered by such insurance, and for unearned premiums that may become payable to the  
19 insured upon cancellation of such insurance, whether or not in fact the producer is indebted  
20 to the insurer with respect to the insurance or for any other cause.

21 **2.** Each ~~unauthorized~~ nonadmitted insurer assuming a surplus lines risk under this  
22 chapter is deemed to have subjected itself to the terms of this section, and any policy terms  
23 or conditions contrary to this section are void.

24 **Sec. 26. 24-A MRSA §2019, sub-§1**, as enacted by PL 1969, c. 132, §1, is amended  
25 to read:

26 **1.** ~~An unauthorized~~ A suit in this State against a nonadmitted insurer ~~shall be sued,~~  
27 upon any cause of action arising in the State under any contract issued by it as a surplus  
28 lines contract pursuant to this law, must be brought in the Superior Court.

29 **Sec. 27. 24-A MRSA §2019, sub-§3**, as amended by PL 1997, c. 592, §64, is  
30 further amended to read:

31 **3.** ~~An unauthorized~~ A nonadmitted insurer issuing ~~such~~ a policy subject to this chapter  
32 is deemed thereby to have authorized service of process against it in the manner and to the  
33 effect as provided in this section. Any such policy must contain a provision stating the  
34 substance of this section, and designating the person to whom process must be served as  
35 provided in subsection 2.

36 **Sec. 28. 24-A MRSA §2159-A**, as amended by PL 2021, c. 348, §36, is further  
37 amended by amending the section headnote to read:

38 **§2159-A. Insurance discrimination solely on account of ~~blindness~~ physical or mental**  
39 **disability prohibited**

40 **Sec. 29. 24-A MRSA §2263, sub-§13**, as enacted by PL 2021, c. 24, §1, is  
41 amended to read:

1           **13. Third-party service provider.** "Third-party service provider" means a person  
2 that is not a licensee and that contracts with a licensee or an entity that has a direct or  
3 indirect contractual connection to the licensee to maintain, process or store or otherwise is  
4 permitted access to nonpublic information through ~~its~~ the provision of services to the  
5 licensee or the entity that has a contractual connection to the licensee.

6           **Sec. 30. 24-A MRSA §2849, sub-§3, ¶A,** as repealed and replaced by PL 1993, c.  
7 349, §53, is amended to read:

8           A. Request that the person provide or otherwise seek to obtain evidence of individual  
9 insurability. This ~~in no way limits~~ does not limit the insurer's right to require  
10 information concerning the health of the individuals in the group to the extent that the  
11 information is relevant to determine ~~whether the group as a whole is insurable or to~~  
12 ~~determine~~ rates for the group as a whole;

13           **Sec. 31. 24-A MRSA §4302, sub-§2, ¶E,** as enacted by PL 1995, c. 673, Pt. C, §1  
14 and affected by §2, is amended to read:

15           E. The ~~percentage~~ number of disenrollments by enrollees and providers from the health  
16 plan within the previous 12 months and the reasons for the disenrollments. With  
17 respect to enrollees, the information provided in this paragraph must differentiate  
18 between voluntary and involuntary disenrollments; and

19           **Sec. 32. 24-A MRSA §4303-E, sub-§5** is enacted to read:

20           **5. Confidentiality.** Except as provided in this subsection, all records of the bureau or  
21 an independent dispute resolution entity relating to an independent dispute resolution  
22 request or proceeding are confidential and not a public record under Title 1, chapter 13.

23           **Sec. 33. 24-A MRSA §4312, sub-§6,** as enacted by PL 1999, c. 742, §19, is  
24 amended to read:

25           **6. Binding nature of decision.** An external review decision is binding on the carrier.  
26 An enrollee or the enrollee's authorized representative may not file a request for a  
27 subsequent external review involving the same adverse health care treatment decision for  
28 which the enrollee has already received an external review decision pursuant to this section.  
29 An external review decision made under this section is not considered final agency action  
30 pursuant to Title 5, chapter 375, subchapter H 7.

31           **Sec. 34. 24-A MRSA §4377, sub-§1,** as enacted by PL 1969, c. 132, §1, is amended  
32 to read:

33           **1.** If upon the entry of an order of liquidation under this chapter or at any time  
34 thereafter during liquidation proceedings the insurer is not clearly solvent, the court shall,  
35 upon hearing after such notice as it ~~deems~~ considers proper, make and enter an order  
36 adjudging the insurer to be ~~solvent~~ insolvent.

37           **Sec. 35. 24-A MRSA §4433, sub-§2, ¶I,** as enacted by PL 2001, c. 478, §4 and  
38 affected by §11, is amended to read:

39           I. ~~Insurance~~ Other than coverages that may be set forth in a cybersecurity insurance  
40 policy, insurance of warranties or service contracts, including insurance that provides  
41 for the repair, replacement or service of goods or property, or indemnification of repair,  
42 replacement or service; for the operational or structural failure of the goods or property

1 due to a defect in materials, workmanship or normal wear and tear; or for  
2 reimbursement for the liability incurred by the issuer of agreements or service contracts  
3 that provide such benefits;

4 **Sec. 36. 24-A MRSA §4435, sub-§4**, as amended by PL 2001, c. 478, §5 and  
5 affected by §11, is further amended to read:

6 **4. Covered claim.** "Covered claim" means an unpaid claim, including one for  
7 unearned premiums but excluding one for punitive damages, arising under and within the  
8 coverage and applicable limits of a policy of a kind of insurance referred to in section 4433  
9 to which this subchapter applies issued by an insurer that becomes an insolvent insurer after  
10 May 9, 1970, and where:

11 A. The claimant or insured is a resident of this State at the time of the insured event;  
12 or

13 B. The property from which the claim arises is permanently located in this State.

14 "Covered claim" includes claim obligations that arose through the issuance of an insurance  
15 policy by a member insurer, which are later allocated, transferred, merged into, novated,  
16 assumed by or otherwise made the sole responsibility of a member or nonmember insurer  
17 if: the original member insurer has no remaining obligations on the policy after the transfer;  
18 a final order of liquidation with a finding of insolvency has been entered against the insurer  
19 that assumed the member's coverage obligations by a court of competent jurisdiction in the  
20 insurer's state of domicile; the claim would have been a covered claim if the claim had  
21 remained the responsibility of the original member insurer and the order of liquidation had  
22 been entered against the original member insurer, with the same claim submission date and  
23 liquidation date; and, in cases for which the member's coverage obligations were assumed  
24 by a nonmember insurer, the transaction received prior regulatory or judicial approval.

25 "Covered claim" does not include any amount due any insurer, reinsurer, affiliate,  
26 insurance pool or underwriting association, as subrogation recoveries or otherwise, except  
27 that any payment made to the workers' compensation residual market pool pursuant to  
28 section 4438, subsection 1, paragraph A-1 must be included as a covered claim. "Covered  
29 claim" does not include any first-party claims by an insured whose net worth exceeds  
30 \$25,000,000 on December 31st of the year prior to the year in which the member insurer  
31 becomes an insolvent insurer. An insured's net worth on that date is deemed to include the  
32 aggregate net worth of the insured and all its subsidiaries as calculated on a consolidated  
33 basis.

34 **Sec. 37. 24-A MRSA §4435, sub-§4-A** is enacted to read:

35 **4-A. Cybersecurity insurance.** "Cybersecurity insurance" means first-party or 3rd-  
36 party coverage, in a policy or endorsement, written on a direct, admitted basis for losses  
37 and loss mitigation arising out of or relating to data privacy breaches, unauthorized  
38 information network security intrusions, computer viruses, ransomware, extortion through  
39 electronic means, identity theft and similar exposures.

40 **Sec. 38. 24-A MRSA §4438, sub-§1, ¶A**, as amended by PL 2009, c. 129, §1 and  
41 affected by §13, is further amended by amending subparagraph (2) to read:

42 (2) An amount not exceeding \$25,000 per policy for a covered claim for the return  
43 of an unearned premium; ~~or~~

