

**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**

August 2017

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*Joint Standing Committee on Insurance and Financial Services*

**LD 6      An Act To Prohibit Insurance Carriers from Charging Enrollees for  
Prescription Drugs in Amounts That Exceed the Drugs' Costs**

**PUBLIC 44**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK G FOLEY R	OTP-AM	S-22 S-40    WHITTEMORE R

This bill prohibits a health insurance carrier from retroactively reducing payment on a properly submitted claim by a pharmacy provider. The bill also prohibits a carrier from charging or holding a pharmacy provider responsible for any fee related to a claim that is not apparent at the time the carrier processes the claim, that is not reported on the remittance advice or after the initial claim is adjudicated by the carrier.

**Committee Amendment "A" (S-22)**

This amendment replaces the bill and changes the title. The amendment prohibits a carrier or pharmacy benefits manager from imposing on an enrollee in a health plan a copayment or other charge that exceeds the cost of the medication. The amendment also prohibits a carrier or pharmacy benefits manager from penalizing a pharmacy provider for disclosing relevant information about the cost or clinical efficacy of a medication to an enrollee.

**Senate Amendment "A" To Committee Amendment "A" (S-40)**

This amendment specifies that the information that may be communicated without penalty by a pharmacy provider to an enrollee in a health plan regarding cost of a prescription drug or alternative medication is limited to information that pertains to that enrollee's out-of-pocket cost.

**Enacted Law Summary**

Public Law 2017, chapter 44 prohibits a carrier or pharmacy benefits manager from imposing on an enrollee in a health plan a copayment or other charge that exceeds the cost of the medication. The law also prohibits a carrier or pharmacy benefits manager from penalizing a pharmacy provider for disclosing relevant information about an enrollee's out-of-pocket cost or the clinical efficacy of a prescription drug or alternative medication to an enrollee.

**LD 12      An Act To Incorporate Protections for Living Donors into Maine Law**

**PUBLIC 20**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NADEAU C DIAMOND B	OTP-AM	H-6

This bill prohibits a denial of coverage or an increase in insurance premiums for life insurance, disability insurance or long-term care insurance for living organ donors. The bill also requires the Department of Health and Human Services to establish, maintain and operate an information service to educate the public on live organ donation.

**Committee Amendment "A" (H-6)**

This amendment adjusts language in section 2 of the bill to clarify that insurers may not discriminate in the offering, issuance, cancellation, amount of coverage, price or other condition of a life insurance, disability insurance or long-term care insurance policy based solely and without any additional actuarial justification upon the status of an individual as a living organ donor. The amendment also removes the section of the bill that requires the Department of Health and Human Services to establish, maintain and operate an information service to educate the public on live organ donation.

**Enacted Law Summary**

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Public Law 2017, chapter 20 prohibits an insurer authorized to do business in this State from:

1. Limiting coverage or refusing to issue or renew coverage of an individual under any life insurance, disability insurance or long-term care insurance policy due to the status of an individual as a living donor;
2. Precluding an individual from donating all or part of an organ as a condition of receiving coverage under a life insurance, disability insurance or long-term care insurance policy;
3. Considering the status of an individual as a living organ donor in determining the premium rate for coverage of that individual under a life insurance, disability insurance or long-term care insurance policy; or
4. Otherwise discriminating in the offering, issuance, cancellation, amount of coverage, price or other condition of a life insurance, disability insurance or long-term care insurance policy based solely and without any additional actuarial justification upon the status of an individual as a living organ donor.

### **LD 145      An Act To Protect Consumers from Closure of Inactive Bank Accounts**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RYKERSON D CARSON B	ONTP	

This bill requires a financial institution authorized to do business in this State to notify a holder of an inactive or unclaimed account by registered mail before the closure of the account or the disposition of the money of that closure or disposition.

### **LD 192      An Act To Require Insurance Coverage for Hearing Aids**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HANDY J BELLOWS S	OTP-AM	H-177

This bill requires insurance plans to provide coverage for hearing aids at a minimum of \$3,000 per hearing aid to all individuals with documented hearing loss.

#### **Committee Amendment "A" (H-177)**

This amendment makes the bill's requirements for coverage of hearing aids apply to insurance plans issued or renewed on or after January 1, 2019. The amendment also adds language exempting the bill from the provisions of the Maine Revised Statutes, Title 24-A, section 2752.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

*Joint Standing Committee on Insurance and Financial Services*

**LD 237      An Act To Establish a State Bank**

**Accepted Majority  
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D MOONEN M	ONTP OTP-AM	

This bill establishes the Maine Street Bank effective July 1, 2019, except that the bank may not make, purchase, guarantee, modify or hold loans until the bank has capital of at least \$20,000,000. It specifies the purposes of the bank, establishes a board of directors and creates an advisory committee. It allows the bank to accept deposits of public funds, to make, purchase, guarantee, modify or hold certain loans and to serve as a custodian bank. It directs the Treasurer of State to deposit money into the bank. Excess income of the bank is deposited in the Maine Budget Stabilization Fund.

The bill provides for a quarterly examination of the bank by the Department of Professional and Financial Regulation, Bureau of Financial Institutions and an audit by the State Auditor every two years.

The bill allows counties and municipalities to establish public banks.

The bill directs the Treasurer of State, the Commissioner of Administrative and Financial Services and the Chief Executive Officer of the Finance Authority of Maine to consult with the Attorney General and report to the Joint Standing Committee on Appropriations and Financial Affairs by January 15, 2018 with recommendations to fully implement the bank, including recommendations regarding the merger of the Finance Authority of Maine into the bank. It authorizes the joint standing committee to report out a bill to the Second Regular Session of the 128th Legislature.

**Committee Amendment "A" (S-12)**

This amendment is the minority report and replaces the bill. The amendment establishes the Maine Green Bank, specifies its purposes, establishes its board of directors and creates its advisory committee. It allows the Maine Green Bank to accept deposits of public funds, make loans and operate as a bank. It directs the Treasurer of State and instrumentalities to deposit public funds into the Maine Green Bank.

The amendment provides for a quarterly examination of the Maine Green Bank by the Department of Professional and Financial Regulation, Bureau of Financial Institutions and an annual audit by the State Auditor. The amendment also provides that the Maine Green Bank is exempt from taxation as a state entity.

This amendment was not adopted.

**LD 239      An Act To Require National Banks To Cooperate in the Administration  
of the General Assistance Program**

**PUBLIC 28**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAKEY E	OTP-AM	S-24

This bill removes the exemption provided to national banks from the law requiring financial institutions to provide account balance information to the State or to a municipality for persons who have applied for or are receiving financial assistance from the State or a municipality.

**Committee Amendment "A" (S-24)**

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

This amendment replaces the bill. Like the bill, the amendment removes the exemption provided to national banks from the law requiring financial institutions to provide account balance information to the State or to a municipality for persons who have applied for or are receiving financial assistance from the State or the municipality. The amendment also requires that a signed release form from a depositor be obtained before deposit or balance information can be released by the financial institution and, if the depositor is deceased, a written request from the municipality and a notarized affidavit of death must be provided. The amendment does not grant any authority for the release of any funds by a financial institution.

### **Enacted Law Summary**

Public Law 2017, chapter 28 removes the exemption provided to national banks from the law requiring financial institutions to provide account balance information to the State or to a municipality for persons who have applied for or are receiving financial assistance from the State or the municipality. The law also requires that a signed release form from a depositor be obtained before deposit or balance information can be released by the financial institution and, if the depositor is deceased, a written request from the municipality and a notarized affidavit of death must be provided. The law does not grant any authority for the release of any funds by a financial institution.

### **LD 284      An Act Concerning Notification after a Security Breach**

**Accepted Majority  
(ONTP) Report**

Sponsor(s)

STEARNS P

Committee Report

ONTP  
OTP-AM

Amendments Adopted

This bill shortens the time allowed for a delay in notification to residents of the State of a breach of the security of a system that contains computerized personal information from seven business days to three business days.

### **Committee Amendment "A" (H-7)**

This amendment shortens the time allowed for a delay in notification to residents of the State of a breach of the security of a system that contains computerized personal information from seven business days to seven days.

This amendment was not adopted.

### **LD 308      An Act To Prohibit Charging Maine Seniors Higher Automobile Insurance Premiums Based Solely on Their Age**

**PUBLIC 11**

Sponsor(s)

DIAMOND B  
PARRY W

Committee Report

OTP-AM

Amendments Adopted

S-6

This bill repeals two provisions in current law related to the issuance of motor vehicle insurance and consideration of an insured's age by the insurer and incorporates them into one provision. The bill prohibits an insurer from taking certain actions against an applicant or insured under a motor vehicle insurance policy based solely upon the age of the applicant or insured.

### **Committee Amendment "A" (S-6)**

This amendment replaces the bill. The amendment clarifies that an insurer may not refuse to issue personal automobile insurance for the sole reason that a person has reached a certain age and clarifies that the prohibitions of certain actions based solely upon age apply to an applicant for coverage as well as to existing insureds.

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### **Enacted Law Summary**

Public Law 2017, chapter 11 clarifies that an insurer may not refuse to issue personal automobile insurance for the sole reason that a person has reached a certain age and that the prohibitions of certain actions based solely upon age apply to an applicant for coverage as well as to existing insureds.

#### **LD 360      An Act To Allow Consumers To Shop for Credit without Damaging Their Credit Scores      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAIG G	ONTP	

This bill prohibits a consumer reporting agency from considering the number of credit inquiries made by a consumer or on behalf of a consumer as a factor in the calculation of a consumer's credit score.

#### **LD 361      An Act To Ensure Fair Compensation for Licensed Insurance Agents      PUBLIC 60**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FOLEY R CHENETTE J	OTP-AM	H-69

This bill requires insurers that offer qualified health plans in this State to ensure that only licensed insurance producers and consultants enroll individuals and employees during special enrollment periods and to meet certain compensation requirements for enrollment during annual and special enrollment periods. The bill also requires that these insurance producers and consultants receive training to recognize potential cases of fraud, waste and abuse related to special enrollment periods.

#### **Committee Amendment "A" (H-69)**

This amendment replaces the bill. Like the bill, the amendment requires insurers that offer health plans in this State to pay commissions to licensed insurance producers for enrollments made during annual and special enrollment periods and to pay an equal commission for enrollments made during a special enrollment period. The amendment also prohibits an insurer from eliminating, restricting or limiting the payment of a commission to a producer for enrollment of an individual in a health plan during any annual enrollment period on the basis that the producer was not paid a commission for the enrollment of the same individual by the producer in a prior plan year during a special enrollment period.

The amendment removes the provisions in the bill that require insurers to ensure that only licensed insurance producers and consultants enroll individuals and employees during special enrollment periods and that require that these insurance producers and consultants receive training to recognize potential cases of fraud, waste and abuse related to special enrollment periods. The amendment also removes references to licensed insurance consultants and clarifies that the requirements related to the payment of commissions apply when an insurance producer holds an appointment from or is contracted with the insurer.

The amendment clarifies that the provisions apply to health plans issued or renewed on or after January 1, 2018.

### **Enacted Law Summary**

Public Law 2017, chapter 60 requires insurers that offer health plans in this State to pay commissions to licensed insurance producers for enrollments made during annual and special enrollment periods and to pay an equal commission for enrollments made during a special enrollment period. The law also prohibits an insurer from

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eliminating, restricting or limiting the payment of a commission to a producer for enrollment of an individual in a health plan during any annual enrollment period on the basis that the producer was not paid a commission for the enrollment of the same individual by the producer in a prior plan year during a special enrollment period.

The provisions of Public Law 2017, chapter 60 apply to health plans issued or renewed on or after January 1, 2018.

### **LD 389      An Act To Promote Access to Financial Institutions by Entities That Are      CARRIED OVER** **Authorized under State Law**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMPER J		

This bill allows state-chartered credit unions to procure private insurance in lieu of share insurance from the National Credit Union Administration to facilitate the provision of financial services to registered dispensaries or registered caregivers authorized under the Maine Medical Use of Marijuana Act, to entities licensed under the Marijuana Legalization Act and to their employees.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 445      An Act To Encourage Maine Consumers To Comparison-shop for      PUBLIC 232** **Certain Health Care Procedures and To Lower Health Care Costs**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R PICCHIOTTI J	OTP-AM	S-236

This bill requires all carriers offering health plans in the State, beginning January 1, 2018, to provide a shared savings incentive program as a component of all health plans, except health plans offered through the federally facilitated marketplace established pursuant to the federal Affordable Care Act. The bill establishes the shared savings incentive program for enrollees who elect to receive a comparable health care service that costs less than the average price paid for that service by a carrier. The bill defines "comparable health care service" as a service for which a carrier offers a shared savings incentive payment and includes, at a minimum, a health care service in the following seven categories: physical and occupational therapy services; obstetrical and gynecological services; radiology and imaging services; laboratory services; infusion therapy services; inpatient and outpatient surgical procedures; and outpatient, nonsurgical diagnostic tests and procedures. If an enrollee shops for services, the bill requires a carrier to pay that enrollee a shared savings incentive payment of at least 50% of the difference between the average amount for that comparable health care service and the amount paid, except that a payment is not required if the saved cost is \$50 or less.

The bill authorizes a carrier to establish its own methodology for calculating the average price paid by that carrier under its shared savings incentive program. If an enrollee elects to receive health care services from an out-of-network provider that results in a shared savings incentive payment, a carrier shall apply the amount paid for the comparable health care service toward the enrollee's cost sharing as specified in the enrollee's health plan as if the health care services were provided by a network provider.

The bill also requires carriers to provide certain information to the Department of Professional and Financial Regulation, Bureau of Insurance on an annual basis relating to the payments made to enrollees, the use of health care services for which payments are provided and the saved costs if an enrollee elects to receive health care services from a provider that cost less than the average cost for a particular admission, procedure or service. The Superintendent of Insurance is required to report aggregate information from all carriers to the Legislature on an

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annual basis.

This bill also requires providers to notify patients of their right to shop for certain health care services pursuant to a carrier's shared savings incentive program.

### **Committee Amendment "A" (S-236)**

This amendment replaces the bill. The amendment requires carriers offering health plans in the State, beginning January 1, 2019, to establish a small group health plan design, for all small group health plans compatible with health savings accounts authorized under federal law, in which enrollees are directly incentivized to shop for comparable health care services from low-cost, high-quality providers. The amendment defines "comparable health care service" as a nonemergency, outpatient health care service in the following four categories: physical and occupational therapy services; radiology and imaging services; laboratory services; and infusion therapy services. The amendment requires the Superintendent of Insurance to study and evaluate the incentive programs used by carriers and report annually to the Legislature beginning March 1, 2020. These provisions are repealed on January 1, 2024.

Beginning January 1, 2018, the amendment requires carriers to develop and make available a website and toll-free telephone number to allow enrollees to obtain information about estimated costs for obtaining comparable health care services from network providers. The amendment permits a carrier to direct enrollees to the publicly accessible health care costs website of the Maine Health Data Organization.

Beginning January 1, 2019, the amendment requires carriers upon request by an enrollee to apply the amount paid for a comparable health care service provided by an out-of-network provider toward the enrollee's member cost sharing as specified in the enrollee's health plan as if the health care services were provided by a network provider, as long as the cost of the out-of-network service is the same or less than the statewide average payment for the same service based on data reported on the publicly accessible health care costs website of the Maine Health Data Organization. A carrier may use the average network price paid by the carrier in lieu of the statewide average payment for the same service based on data reported on the publicly accessible health care costs website of the Maine Health Data Organization. The amendment defines an out-of-network provider as a provider located in Maine, Massachusetts or New Hampshire that is enrolled in the MaineCare program as a provider and that participates in Medicare. This provision is repealed January 1, 2024.

The amendment also requires providers to notify patients of their right to obtain comparable health care services from a different provider at the time a provider makes a referral or recommendation for a comparable health care service during an in-person visit.

### **Enacted Law Summary**

Public Law 2017, chapter 232 requires carriers offering health plans in the State, beginning January 1, 2019, to establish a small group health plan design, for all small group health plans compatible with health savings accounts authorized under federal law, in which enrollees are directly incentivized to shop for comparable health care services from low-cost, high-quality providers. The law defines "comparable health care service" as a nonemergency, outpatient health care service in the following four categories: physical and occupational therapy services; radiology and imaging services; laboratory services; and infusion therapy services. The law requires the Superintendent of Insurance to study and evaluate the incentive programs used by carriers and report annually to the Legislature beginning March 1, 2020. These provisions are repealed on January 1, 2024.

Beginning January 1, 2018, the law requires carriers to develop and make available a website and toll-free telephone number to allow enrollees to obtain information about estimated costs for obtaining comparable health care services from network providers. As an alternative, the law allows a carrier to direct enrollees to the publicly accessible health care costs website of the Maine Health Data Organization.

Beginning January 1, 2019, the law requires carriers upon request by an enrollee to apply the amount paid for a



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comparable health care service provided by an out-of-network provider toward the enrollee's member cost sharing as specified in the enrollee's health plan as if the health care services were provided by a network provider, as long as the cost of the out-of-network service is the same or less than the statewide average payment for the same service based on data reported on the publicly accessible health care costs website of the Maine Health Data Organization. A carrier may use the average network price paid by the carrier in lieu of the statewide average payment for the same service based on data reported on the publicly accessible health care costs website of the Maine Health Data Organization. The law defines an out-of-network provider as a provider located in Maine, Massachusetts or New Hampshire that is enrolled in the MaineCare program as a provider and that participates in Medicare. This provision is repealed January 1, 2024.

Public Law 2017, chapter 232 also requires providers to notify patients of their right to obtain comparable health care services from a different provider at the time a provider makes a referral or recommendation for a comparable health care service during an in-person visit.

### **LD 453      Resolve, Regarding Insurance Coverage for Alternative Therapies for      CARRIED OVER** **Addiction and Recovery**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK G BROOKS H		

This resolve requires the Superintendent of Insurance to convene interested parties to evaluate commercial insurance coverage for addiction treatment and recovery alternative therapies and report findings and recommendations to the Joint Standing Committee on Insurance and Financial Services before January 15, 2018. The resolve authorizes the Joint Standing Committee on Insurance and Financial Services to submit a bill to the Second Regular Session of the 128th Legislature based upon the report.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 502      An Act Regarding Hospital Charges and Statements      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R FOLEY R	ONT P	

This bill prohibits a hospital from billing an uninsured patient or a patient not covered under a health plan operating under a network agreement between the hospital and the patient's health plan for any inpatient or outpatient service or procedure at a level that exceeds 120% of the average allowable reimbursement rate under Medicare for that service or procedure. The bill requires a carrier to disclose to a prospective enrollee prior to enrollment if a health plan has a provider network that operates under a provider agreement between the participating provider and carrier that subjects an enrollee to the terms of the agreement upon enrollment and that requires reimbursement for any hospital inpatient and outpatient services and procedures at a level that exceeds 150% of the average allowable reimbursement rate under Medicare for that service or procedure. For an enrollee enrolled in that type of health plan, a carrier may not deny the enrollee covered by a health plan the right to audit any hospital bill or explanation of benefits form.

*Joint Standing Committee on Insurance and Financial Services*

**LD 556      Resolve, Regarding Legislative Review of Portions of Chapter 191:  
Health Maintenance Organizations and of the Final Repeal of Chapter  
750: Standardized Health Plans, Major Substantive Rules of the  
Department of Professional and Financial Regulation, Bureau of  
Insurance**

**RESOLVE 8  
EMERGENCY**

Sponsor(s)

Committee Report

Amendments Adopted

OTP

This resolve provides for legislative review of portions of Chapter 191: Health Maintenance Organizations and of the final repeal of Chapter 750: Standardized Health Plans, major substantive rules of the Department of Professional and Financial Regulation, Bureau of Insurance.

**Enacted Law Summary**

Resolve 2017, chapter 8 authorizes final adoption of amendments to Chapter 191: Health Maintenance Organizations and of the final repeal of Chapter 750: Standardized Health Plans, major substantive rules of the Department of Professional and Financial Regulation, Bureau of Insurance.

Resolve 2017, chapter 8 was finally passed as an emergency measure effective April 30, 2017.

**LD 592      An Act To Enable the Maine Employers' Mutual Insurance Company To  
Better Serve Maine Employers by Eliminating the High-risk Program**

**PUBLIC 15**

Sponsor(s)

Committee Report

Amendments Adopted

WHITTEMORE R  
FARRIN B

OTP

This bill eliminates the requirement that the Maine Employers' Mutual Insurance Company maintain a high-risk program. The bill retains the provisions that were contained in the high-risk program language regarding the filing of retrospective rating plans and making retrospective rating plans available to policyholders.

**Enacted Law Summary**

Public Law 2017, chapter 15 eliminates the requirement that the Maine Employers' Mutual Insurance Company maintain a high-risk program. The law retains the provisions that were contained in the high-risk program language regarding the filing of retrospective rating plans and making retrospective rating plans available to policyholders.

**LD 608      An Act Regulating Employee Benefit Excess Insurance**

**ONTP**

Sponsor(s)

Committee Report

Amendments Adopted

LAWRENCE M  
WHITTEMORE R

ONTP

This bill provides that an insurer or a subsidiary of an insurer may not provide employee benefit excess insurance to an employer that is eligible for a small group health plan.

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### **LD 609      An Act To Prohibit Insurance Carriers That Are Not Health Insurance Carriers from Operating as Managed Care Organizations**

**Leave to Withdraw  
Pursuant to Joint  
Rule**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL R SAVIELLO T		

This bill prohibits an insurer from imposing a fee schedule, reducing reimbursement or imposing limits on the type or frequency of health care services covered under any automobile insurance liability policy or workers' compensation policy based on the terms and conditions of a health care provider's separate contract with the insurer's affiliated health insurer, health maintenance organization or other managed care organization without the express prior written consent of the health care provider.

### **LD 658      An Act To Conform Maine Law Regarding Insurer Privacy Notices to Federal Law**

**PUBLIC 36**

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

This bill removes the general requirement that an insurer provide written notice of its information practices on an annual basis or when a policy is reinstated or benefits are changed. This bill requires that the notices must be provided if a change is made in the insurer's information practices.

#### **Committee Amendment "A" (S-29)**

This amendment is the minority report of the committee and replaces the bill. The amendment requires a regulated insurance entity to provide written notice to a policyholder of its information practices on an annual basis or when a policy is reinstated or benefits are changed unless the policyholder has elected to receive the notice only if a change has been made in the entity's information practices. The bill requires that notices be provided to all policyholders only if a change is made in the insurer's information practices.

This amendment was not adopted.

#### **Enacted Law Summary**

Public Law 2017, chapter 36 removes the general requirement that an insurer provide written notice of its information practices on an annual basis or when a policy is reinstated or benefits are changed. The law requires that the notices must be provided if a change is made in the insurer's information practices.

### **LD 659      An Act To Amend the Maine Guaranteed Access Reinsurance Association Act**

**PUBLIC 124**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R FOLEY R	OTP-AM	S-123

This bill extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association for two years, until December 31, 2019. The bill also directs the Superintendent of Insurance to make a recommendation

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before February 15, 2019 to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters relating to the continued operation or dissolution of the association.

### **Committee Amendment "A" (S-123)**

This amendment replaces the bill. The amendment extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association until December 31, 2023. The amendment also authorizes the Superintendent of Insurance to develop a proposal for an innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act to facilitate the resumption of operations of the association and, if approved by the Governor, to apply for and implement a Section 1332 waiver. The suspension of the operations is continued until 2023 to reflect that innovation waivers are currently granted for five-year terms.

### **Enacted Law Summary**

Public Law 2017, chapter 124 extends the suspension of the operations of the Maine Guaranteed Access Reinsurance Association until December 31, 2023. The law also authorizes the Superintendent of Insurance to develop a proposal for an innovation waiver under Section 1332 of the federal Patient Protection and Affordable Care Act to facilitate the resumption of operations of the association and, if approved by the Governor, to apply for and implement a Section 1332 waiver. The suspension of the operations is continued until 2023 to reflect that innovation waivers are currently granted for five-year terms.

### **LD 660      An Act To Allow Credit and Debit Card Surcharges**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R FOLEY R		

Current law prohibits the seller in a sales transaction from imposing a surcharge on a cardholder who pays using a credit card or debit card. This bill repeals that prohibition.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 666      An Act To Improve Access to Cost-effective Health Care Services**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VOLK A VACHON K	ONTP	

This bill requires health insurance carriers to apply the amount paid for a health care service provided by an out-of-network provider toward the enrollee's member cost sharing as specified in the enrollee's health plan as if the health care services were provided by a network provider if the cost of the out-of-network service is the same or less than the statewide average payment for the same service based on data reported on the publicly accessible health care costs website of the Maine Health Data Organization.

### **LD 696      An Act Regarding Insurance and Financial Services**

**CARRIED OVER**

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

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

This bill is a concept draft pursuant to Joint Rule 208.

The bill proposes to improve the laws regarding insurance and financial services.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 718      An Act To Reinstitute the Maine Health Exchange Advisory Committee**

**Accepted Majority  
(ONTP) Report**

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

This bill establishes the Maine Health Exchange Advisory Committee on a permanent basis.

#### **Committee Amendment "A" (H-127)**

This amendment is the minority report of the committee. The amendment changes the title of the bill and the name of the advisory committee established in the bill. The amendment broadens the scope of duties of the advisory committee to reflect that there may be changes in federal health care law. The amendment also clarifies that the Legislative Council may not provide staff support to the advisory committee during the legislative session and authorizes the advisory committee to contract for administrative, professional and clerical services if funding permits.

The amendment also adds an appropriations and allocations section.

This amendment was not adopted.

### **LD 722      An Act Regarding Uninsured Vehicle Coverage**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KATZ R	ONTP	

This bill explicitly provides that the laws governing uninsured vehicle coverage apply to umbrella policies and excess policies. It also requires that documents tendered to settle a claim for bodily injury that may be the subject of coverage under the laws governing uninsured vehicle coverage contain a warning to ensure that persons settling bodily injury claims understand that by signing a release they may be giving up their right to uninsured vehicle insurance benefits from other sources, including their own insurance companies.

### **LD 769      An Act To Eliminate Insurance Rating Based on Age, Geographic Location or Smoking History and To Reduce Rate Variability Due to Group Size**

**Died Between  
Houses**

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

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

This bill prohibits insurance carriers providing individual health plans or small group health plans from varying premium rates based on age, geographic location or tobacco use on or after January 1, 2018. The bill also reduces the variation based on group size to 1.5 to one for small group plans over time.

### **Committee Amendment "A" (H-143)**

This amendment is the minority report of the committee. The amendment reduces the maximum rate differential in premium rates for individual and small group health insurance policies on or after January 1, 2019 on the basis of geographic area from 1.5 to 1.2 and tobacco use as determined by ratio from 1.5 to one to 1.2 to one and maintains the rate differential due to age and group size at three to one. The bill prohibits insurance carriers providing individual health plans or small group health plans from varying premium rates based on age, geographic location or tobacco use on or after January 1, 2018.

This amendment was not adopted.

### **LD 770      An Act To Clarify Insurance Coverage in School-based Health Centers**

**Accepted Majority  
(ONTP) Report**

Sponsor(s)

BROOKS H

Committee Report

ONTP  
OTP-AM

Amendments Adopted

This bill prohibits health insurance carriers from denying coverage for services delivered in a school setting under a contract with a federally qualified health center if the same services would be covered if provided at the federally qualified health center.

### **Committee Amendment "A" (H-96)**

This amendment, which is the minority report of the committee, incorporates a fiscal note.

This amendment was not adopted.

### **LD 817      An Act To Promote Early Detection of Breast Cancer**

**Accepted Majority  
(ONTP) Report**

Sponsor(s)

BREEN C  
PIERCE T

Committee Report

ONTP  
OTP-AM

Amendments Adopted

This bill requires health insurance carriers to provide coverage for a magnetic resonance imaging scan after a baseline mammogram examination if the mammogram demonstrates dense breast tissue.

### **Committee Amendment "A" (S-117)**

This amendment is the minority report of the committee. The amendment requires health insurance carriers to provide coverage for an ultrasound evaluation, a magnetic resonance imaging scan, three-dimensional mammography or additional testing of an entire breast or breasts after a baseline mammogram examination if the mammogram results demonstrate dense breast tissue or are abnormal within any degree of breast density or if the person has certain risk factors for breast cancer. The bill limits coverage to a magnetic resonance imaging scan. 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 bill from the provisions of the Maine Revised Statutes,

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

Title 24-A, section 2752.

This amendment was not adopted.

### **LD 870 An Act To Protect Life Insurance Beneficiaries**

**ONTP**

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

This bill requires that, prior to the payment of any benefits, an insurer notify a beneficiary entitled to benefits following the death of an insured under a life insurance policy that the beneficiary has the right to elect payment of the death benefits in a lump sum and, if the beneficiary may elect that the insurer hold the benefits in trust, what the terms and conditions are for holding the benefits in trust.

### **LD 880 An Act To Protect a Homeowner's Equity of Redemption in a Foreclosure Action**

**PUBLIC 133**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHIPMAN B	OTP-AM	S-96

This bill provides that a writ of possession may not issue in a foreclosure action that involves a residential mortgage until the mortgagor's period of redemption expires. The period of redemption expires 90 days from the date of judgment for mortgages executed on or after October 1, 1975 and one year from the date of judgment for mortgages executed prior to October 1, 1975.

#### **Committee Amendment "A" (S-96)**

This amendment incorporates the provision in the bill that provides that a writ of possession may not issue in a foreclosure action that involves a residential mortgage until the mortgagor's period of redemption expires. The amendment also clarifies that the provision in the bill does not impair the right of a mortgagee to exercise rights set forth in the mortgage or security instrument to protect the mortgaged property.

#### **Enacted Law Summary**

Public Law 2017, chapter 133 provides that a writ of possession may not issue in a foreclosure action that involves a residential mortgage until the mortgagor's period of redemption expires. The period of redemption expires 90 days from the date of judgment for mortgages executed on or after October 1, 1975 and one year from the date of judgment for mortgages executed prior to October 1, 1975.

The law also clarifies that the statutory provision does not impair the right of a mortgagee to exercise rights set forth in the mortgage or security instrument to protect the mortgaged property.

### **LD 900 An Act Regarding Insurance Coverage of Certain Dental Services**

**Accepted Majority  
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING A MALABY R	ONTP OTP-AM	

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

This bill prevents insurers and health maintenance organizations offering individual and group coverage from limiting dental fees that are not covered by the insurer or the portion of a dental fee that exceeds the amount covered. The provision applies to all individual and group health insurance policies, contracts and certificates issued or renewed on or after January 1, 2018.

### **Committee Amendment "A" (S-56)**

This amendment is the minority report of the committee and replaces most of the bill. Like the bill, the amendment prohibits insurers and health maintenance organizations offering individual and group coverage from limiting dental fees that are not covered by the insurer. The amendment also adds a definition of "covered service" to clarify that a dental provider must charge the contracted fee for a service that a health plan or dental plan would be obligated to pay but for the application of contractual limitations such as deductibles, copayments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, alternative benefit payments or any other limitations.

The amendment changes the term "dentist" to "dental provider" with the intent to include independent practice dental hygienists and dental hygiene therapists as well as dentists. The amendment also eliminates references in the bill that appear to permit balance billing of a patient.

This amendment applies to contracts executed or renewed on or after January 1, 2018.

This amendment was not adopted.

### **LD 920      An Act Regarding Credit Card Interest Rates**

**ONTP**

Sponsor(s)

ESPLING E

Committee Report

ONTP

Amendments Adopted

This bill caps credit card interest rates at 18%.

### **LD 949      An Act Regarding Telehealth**

**Veto Sustained**

Sponsor(s)

GRATWICK G  
HIGGINS N

Committee Report

OTP-AM  
ONTP

Amendments Adopted

S-187

This bill does the following.

1. It provides immunity from liability to health care practitioners who voluntarily provide health care services through telehealth in the same manner as immunity is provided to health care practitioners who voluntarily provide health care services in person.
2. It requires insurers to provide professional liability insurance for health care services provided through telehealth services in the same manner as the coverage is provided through face-to-face contact between a health care practitioner and a patient.
3. It requires carriers that offer health plans in this State to provide coverage for health care services provided through telehealth services in the same manner as coverage is provided for services provided in person and sets forth certain standards for coverage of telehealth services.



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

### **Committee Amendment "A" (S-187)**

This amendment is the majority report of the committee and does the following.

1. It removes the provision in the bill requiring insurers to provide professional liability insurance coverage for health care services provided through telehealth services in the same manner as the coverage is provided for face-to-face contact between a health care practitioner and a patient.
2. It clarifies that carriers may only apply prior approval and credentialing requirements for providers for services provided through telehealth services if the requirements are the same as are applied for services provided in person.
3. It removes the provision requiring carriers to notify enrollees and prospective enrollees about coverage for telehealth services because carriers are already required to provide enrollees and prospective enrollees information about benefits and coverage.
4. It makes the bill's provisions apply to health insurance policies issued or renewed on or after January 1, 2019.

### **LD 968      An Act To Help Prevent Financial Elder Abuse**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LONGSTAFF T CARPENTER M		

This bill requires the form for opening a joint account at a financial institution to have for each party to the account the question, "Do you intend for the sum remaining upon your death to belong to the surviving party or parties? Yes No." Each party to the joint account must answer the question in writing on the form prior to opening the account.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 1030      An Act To Require Nondiscrimination Policies in Providing Health Care Services**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J CASAS O		

This bill prohibits health insurance carriers, automobile insurers and workers' compensation insurers from discriminating against health care providers who are licensed, registered or certified by the State in providing covered services as long as the providers are acting within the scope of their licenses, registrations or certifications. The bill also prohibits certain practices that may limit implementation of nondiscrimination policies.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 1032      An Act To Ensure Protection and Health Insurance of Patients**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GRATWICK G		

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

This bill is a concept draft pursuant to Joint Rule 208. The bill proposes to enact measures designed to ensure the protection and health insurance of patients.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 1055     An Act To Update the Statutes under Which Maine's Credit Unions Are Chartered**

**PUBLIC 143**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FREDETTE K CUSHING A	OTP-AM	H-142

This bill updates the charter provisions for state-chartered credit unions.

1. The bill 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 bill directs 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 bill 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 bill increases the percentage of total surplus that state-chartered credit unions may invest in real estate and fixed assets from 50% to 60%.
4. To bring Maine's state charter in line with its federal counterpart, the bill 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 10 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.

#### **Committee Amendment "A" (H-142)**

The amendment makes the following changes to the bill.

1. It clarifies that the field of membership requirements apply to an out-of-state credit union's activities when doing business in Maine.
2. It permits the adoption of rules relating to adequate levels of net worth for a credit union. The bill mandates the adoption of rules.
3. It 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.

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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

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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

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connection with marketing and retention of contracts from \$20 per person to \$100 per person and increases the maximum value of prizes awarded in raffles and drawings from \$100 to \$500.

### **Enacted Law Summary**

Public Law 2017, chapter 84 allows 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 law also increases the dollar limits for permissible gifts in connection with the marketing and retention of insurance contracts from \$20 per person to \$100 per person and increases the maximum value of prizes awarded in raffles and drawings in connection with the marketing and retention of insurance contracts from \$100 to \$500.

### **LD 1164 An Act To Facilitate Small Loans in Maine**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING A	ONTP	

This bill amends the Maine Consumer Credit Code. It enacts requirements for loans of \$2,000 or less and it authorizes consumer loan lenders and open-end credit creditors to charge origination fees and monthly maintenance fees.

### **LD 1198 An Act To Enhance the Administration of the State's Group Health Plan**

**PUBLIC 56  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FOLEY R	OTP	

This bill allows the term of the contract for the State's group health plan to be extended in one-year increments for up to three additional years.

### **Enacted Law Summary**

Public Law 2017, chapter 56 allows the term of the contract for the State's group health plan to be extended in one-year increments for up to three additional years.

Public Law 2017, chapter 56 was enacted as an emergency measure effective May 11, 2017.

### **LD 1199 An Act To Promote Fiscal Responsibility in the Purchasing of Debt**

**PUBLIC 216**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANBORN H WHITTEMORE R	OTP-AM	H-468

This bill amends the Maine Fair Debt Collection Practices Act in the following ways.

1. It defines the term "debt buyer" and requires debt buyers to obtain debt collector licenses from the Superintendent of Consumer Credit Protection.

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2. It requires creditors to transfer specific documentation when selling or otherwise transferring a consumer debt to another creditor or to a debt buyer.
3. It prevents a debt buyer from obtaining a default judgment in a collection action due to the nonappearance of the consumer in court and instead requires the debt buyer to provide admissible evidence in support of its claim.
4. It prohibits a debt buyer from seeking to garnish a consumer's wages to enforce a judgment obtained against the consumer in a collection action.
5. It makes it unlawful for a creditor or a debt collector to attempt to collect a debt that has been paid, discharged in bankruptcy court or for which the statute of limitations has expired.

This bill also amends the Maine Revised Statutes, Title 16 to prevent debt buyers from enjoying the presumption of correctness attendant to an account annexed form of court action when bringing a lawsuit to enforce a debt.

### **Committee Amendment "A" (H-468)**

This amendment makes the following changes to the bill.

1. It clarifies that the definition of "debt buyer" does not apply to a supervised financial organization or a person that acquires charged-off consumer debt incidental to the purchase of a portfolio predominantly consisting of consumer debt that has not been charged off.
2. It clarifies that debt buyers must conduct criminal background checks on their officers and employees who are actively engaged in the collection of debt. The bill proposes to require all officers and employees of debt buyers to be licensed as debt buyers.
3. It removes provisions in the bill relating to garnishment of wages.
4. It modifies the specific documentation that a creditor or debt collector must have when collecting or attempting to collect a debt.
5. It increases the maximum penalties that may be assessed against a debt buyer that has violated a provision of the Maine Fair Debt Collection Practices Act.
6. It specifies that the provisions of the bill apply to a debt buyer with respect to debts sold on or after January 1, 2018.

### **Enacted Law Summary**

Public Law 2017, chapter 216 amends the Maine Fair Debt Collection Practices Act in the following ways.

1. It defines the term "debt buyer" and clarifies that the definition does not apply to a supervised financial organization or a person that acquires charged-off consumer debt incidental to the purchase of a portfolio predominantly consisting of consumer debt that has not been charged off.
2. It requires that debt buyers must conduct criminal background checks on their officers and employees who are actively engaged in the collection of debt.
3. It requires creditors to transfer specific documentation when selling or otherwise transferring a consumer debt to another creditor or to a debt buyer.
4. It prevents a debt buyer from obtaining a default judgment in a collection action due to the nonappearance of the consumer in court and instead requires the debt buyer to provide admissible evidence in support of its claim.

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

5. It increases the maximum penalties that may be assessed against a debt buyer that has violated a provision of the Maine Fair Debt Collection Practices Act.

Public Law 2017, chapter 216 specifies that the provisions of the law apply to a debt buyer with respect to debts sold on or after January 1, 2018.

### **LD 1229      An Act To Ensure Life Insurance Claims Are Paid**

**PUBLIC 129**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TERRY M	OTP-AM	H-241

This bill requires life insurers holding unclaimed money to exercise due diligence in finding and notifying all beneficiaries entitled to the money before disposing of the money pursuant to the Uniform Unclaimed Property Act.

#### **Committee Amendment "A" (H-241)**

This amendment replaces the bill. The amendment requires life insurers to implement specific procedures for confirming the death of a policyholder and identifying beneficiaries or other persons entitled to payment of life insurance policies.

#### **Enacted Law Summary**

Public Law 2017, chapter 129 requires life insurers to implement specific procedures for confirming the death of a policyholder and identifying beneficiaries or other persons entitled to payment of life insurance policies.

### **LD 1237      An Act To Require Insurance Coverage for Contraceptive Supplies**

**PUBLIC 190**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J KATZ R	OTP-AM ONTP	H-179

This bill expands the requirements in current law relating to coverage of contraceptives to include coverage for contraceptive supplies approved by the federal Food and Drug Administration for a three-month supply for the first dispensing and a 12-month supply for a subsequent dispensing of the same contraceptive supply. Coverage must be provided without imposing any cost-sharing. The requirements apply to all individual and group policies and contracts issued or renewed on or after January 1, 2018.

#### **Committee Amendment "A" (H-179)**

This amendment is the majority report of the committee and replaces the bill. It amends the requirements in current law relating to coverage of contraceptives to include coverage for contraceptive supplies without cost sharing for at least one drug, device or other product for each contraceptive method. If a health care provider recommends a particular contraceptive supply on the basis of medical necessity, coverage must be provided for that particular supply without cost sharing. The amendment also clarifies that coverage must be provided for contraceptives dispensed for a 12-month period at the discretion of the health care provider.

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 bill from the provisions of the Maine Revised Statutes, Title 24-A, section 2752.

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### **Enacted Law Summary**

Public Law 2017, chapter 190 amends the requirements in current law relating to coverage of contraceptives to include coverage for contraceptive supplies without cost sharing for at least one drug, device or other product for each contraceptive method. If a health care provider recommends a particular contraceptive supply on the basis of medical necessity, coverage must be provided for that particular supply without cost sharing. The law also clarifies that coverage must be provided for contraceptives dispensed for a 12-month period at the discretion of the health care provider.

The requirements of Public Law 2017, chapter 190 apply to all individual and group policies and contracts issued or renewed on or after January 1, 2019.

### **LD 1242      An Act To Prevent Abusive Debt Collection Tactics by Debt Buyers**

**ONTP**

Sponsor(s)

COOPER J

Committee Report

ONTP

Amendments Adopted

This bill amends the Maine Fair Debt Collection Practices Act to give debtors certain protections with respect to debt buyers. A debt buyer may not sell or transfer ownership of a debt or pursue collection activities regarding a debt without possessing specified information, including the names of the original creditor and all intervening creditors. If the debt collector initiates a court action to collect the debt, specific information about the original creditor, the intervening creditors and the basis for any interest, fees and charges must be included in the complaint.

This bill establishes an annual rate of six percent as the maximum post-judgment interest rate applicable to a judgment obtained by a debt buyer.

The bill further provides that a debt may not be collected if a debt buyer violates the Maine Fair Debt Collection Practices Act.

A related bill, LD 1199, An Act to Promote Fiscal Responsibility in the Purchasing of Debt, was enacted as Public Law 2017, chapter 216. See summary for LD 1199.

### **LD 1274      An Act To Promote Universal Health Care, Including Dental, Vision and Hearing Care**

**ONTP**

Sponsor(s)

BROOKS H  
GRATWICK G

Committee Report

ONTP

Amendments Adopted

This bill establishes a single-payer health care system in the State, effective July 1, 2020, that finances health care services for most Maine residents. The bill directs the Joint Standing Committee on Health and Human Services and the Joint Standing Committee on Insurance and Financial Services to jointly submit during the 2017 legislative interim legislation to fully implement the single-payer system.

As a result of the committee's deliberations on LD 1274, a joint order, S.P. 592, was introduced to establish the Task Force to Encourage Health Care for All. The joint order establishes the task force to propose at least three design options for creating a system of health care that ensures all residents of the State have access to and coverage for affordable, quality health care. The joint order requires the task force to submit a preliminary report to the Legislature prior to January 2018 and a final report no later than November 1, 2018. The joint order was amended



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to require that the costs of the task force be paid for with outside funding. S.P. 592 as amended by House Amendment "A" (H-564) was finally passed on July 20, 2017.

### **LD 1279 An Act To Ensure Patient Protections in the Health Insurance Laws**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T		

This bill allows children 26 years of age and younger to remain on their parents' health insurance policy. It clarifies that carriers offering individual or group health plans may not establish lifetime or annual limits on the dollar value of benefits. It clarifies that individual, group and blanket health plans may not impose a preexisting condition exclusion on any enrollee.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 1292 An Act To Improve the Foreclosure Process by Regulating Mortgage Loan Servicers**

**PUBLIC 106**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOW D WALLACE R	OTP-AM	S-95

This bill amends the Maine Consumer Credit Code to add mortgage loan servicer to the definition of "creditor," to define "mortgage loan servicer" and to require mortgage loan servicers to be licensed in the same manner as supervised lenders are.

#### **Committee Amendment "A" (S-95)**

This amendment makes the following changes to the bill.

1. It establishes that the requirements of the bill apply to servicers of first-lien mortgages.
2. It clarifies that servicers must comply with the real estate settlement procedures requirements and the truth in lending requirements of Maine law by adding specific reference to servicers to the Maine Revised Statutes, Title 9-A, Article 9.
3. It removes a section of the bill that unnecessarily modifies a reference to supervised financial institutions.
4. It clarifies that the bill is not intended to assert jurisdiction by the Bureau of Consumer Credit Protection within the Department of Professional and Financial Regulation over financial institution holding companies or mutual holding companies.

#### **Enacted Law Summary**

Public Law 2017, chapter 106 amends the Maine Consumer Credit Code to add mortgage loan servicer to the definition of "creditor," to define "mortgage loan servicer" and to require mortgage loan servicers to be licensed in the same manner as supervised lenders are. The law requires that mortgage loan servicers must comply with the real estate settlement procedures requirements and the truth in lending requirements of Maine law by adding specific reference to servicers to the Maine Revised Statutes, Title 9-A, Article 9.

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

### **LD 1354     An Act Relating to Exempt Equity in a Primary Residence**

**ONTP**

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

This bill requires a financial institution that makes a secondary or home equity loan or refinances an existing loan on a primary residence to inform the loan applicant of the total amount of equity in the residence that is exempt from unsecured creditors and provides a sample form for financial institutions to use to inform the applicant, including offering a referral to legal services organizations for a low-income applicant.

### **LD 1385     An Act Governing Direct Primary Care Service Agreements**

**PUBLIC 112**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R PICKETT R	OTP-AM	S-127

This bill provides that nothing in state law may be construed as prohibiting a patient or legal representative of a patient from seeking care outside of an insurance plan or outside of the Medicaid or Medicare program and paying for such care. It also provides that nothing in state law may be construed as prohibiting a physician, other medical professional or a medical facility from accepting payment for services or medical products outside of an insurance plan. It provides that a direct primary care membership agreement is not insurance and is not subject to regulation by the Department of Professional and Financial Regulation, Bureau of Insurance. A direct primary care membership agreement is defined as a contract between a direct primary care provider and an individual patient or legal representative of a patient in which the provider agrees to provide primary care services to the individual patient for an agreed-to fee over an agreed-to period of time, the provider agrees not to bill third parties on a fee-for-service basis and any per-visit charges under the agreement are less than the monthly equivalent of the provider fee.

#### **Committee Amendment "A" (S-127)**

This amendment replaces the bill. The amendment provides that a direct primary care service agreement is not insurance and is not subject to regulation by the Department of Professional and Financial Regulation, Bureau of Insurance. A direct primary care service agreement is defined as a contract between a direct primary care provider and an individual patient or legal representative of a patient in which the provider agrees to provide primary care services to the individual patient for an agreed-to fee over an agreed-to period of time and the provider agrees not to bill third parties on a fee-for-service or capitated basis. The amendment also clarifies that a direct primary care provider is not prohibited from entering into an agreement with an insurer offering a policy specifically designed to supplement a direct primary care service agreement or from entering into a pilot program for direct primary care with a federal or state agency that provides health coverage.

#### **Enacted Law Summary**

Public Law 2017, chapter 112 provides that a direct primary care service agreement is not insurance and is not subject to regulation by the Department of Professional and Financial Regulation, Bureau of Insurance. A direct primary care service agreement is defined as a contract between a direct primary care provider and an individual patient or legal representative of a patient in which the provider agrees to provide primary care services to the individual patient for an agreed-to fee over an agreed-to period of time and the provider agrees not to bill third parties on a fee-for-service or capitated basis. The law also clarifies that a direct primary care provider is not prohibited from entering into an agreement with an insurer offering a policy specifically designed to supplement a

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

direct primary care service agreement or from entering into a pilot program for direct primary care with a federal or state agency that provides health coverage.

### **LD 1386     An Act To Clarify the Public Nature of Annual Statements of Life Settlement Providers**

**PUBLIC 75**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP	

This bill clarifies that annual statements filed with the Superintendent of Insurance by life settlement providers are public records.

#### **Enacted Law Summary**

Public Law 2017, chapter 75 clarifies that annual statements filed with the Superintendent of Insurance by life settlement providers are public records.

### **LD 1407     An Act Regarding Prescription Drug Step Therapy**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROSEN K PIERCE J	OTP-AM	S-245

This bill requires health insurers to establish a process for prescription drug step therapy override exception determinations.

#### **Committee Amendment "A" (S-245)**

This amendment does the following.

1. It clarifies that carriers must apply the utilization review standards under current law when acting on a request for a step therapy override exception determination or an appeal of a determination.
2. It replaces certain terminology used in the bill to be consistent with current law.
3. It changes the applicability of the bill's provisions from January 1, 2018 to January 1, 2019.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

### **LD 1417     An Act To Require Insurance Coverage for the Diagnosis and Treatment of Lyme Disease**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FREDETTE K		

This bill requires a carrier offering or renewing a health plan in the State to provide coverage to diagnose and treat Lyme disease.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

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

### **LD 1476     An Act To Ensure Continued Coverage for Essential Health Care**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J CARSON B		

This bill incorporates current requirements under the federal Patient Protection and Affordable Care Act for coverage of preventive health services, including services for women, into state law. The bill also requires coverage of certain contraceptive methods and services. The bill directs the Superintendent of Insurance to annually review the recommendations and guidelines for coverage of preventive health services to identify any gaps in the minimum coverage provided by health plans and authorizes the joint standing committee of the Legislature having jurisdiction over health insurance matters to introduce legislation to update the requirements for minimum coverage. The requirements apply to all individual and group health insurance policies and contracts issued or renewed on or after January 1, 2018.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

### **LD 1486     An Act To Clarify the Status of the Financial Industry Regulatory Authority and the National Association of Registered Agents and Brokers under the Maine Insurance Code**

**PUBLIC 115**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FOLEY R	OTP	

This bill requires the Superintendent of Insurance to maintain as confidential a document or information received from the Financial Industry Regulatory Authority or the National Association of Registered Agents and Brokers if the document or information has been provided to the superintendent with notice that it is confidential under the laws of the jurisdiction that is the source of the document or information.

The bill authorizes the Bureau of Insurance to enter into agreements for the sharing of otherwise confidential information with the Financial Industry Regulatory Authority and the National Association of Registered Agents and Brokers if the recipient of the information agrees to maintain the same level of confidentiality as is available under Maine law and has demonstrated that it has the legal authority to do so.

The bill sets license fees for nonresidents acting in this State as insurance producers pursuant to a national nonresident insurance producer license issued by the National Association of Registered Agents and Brokers and requires them to be appointed by the insurers they represent according to the procedures otherwise applicable to appointment of producers, including the payment of appointment fees.

#### **Enacted Law Summary**

Public Law 2017, chapter 115 requires the Superintendent of Insurance to maintain as confidential a document or information received from the Financial Industry Regulatory Authority or the National Association of Registered Agents and Brokers if the document or information has been provided to the superintendent with notice that it is confidential under the laws of the jurisdiction that is the source of the document or information.

The law authorizes the Bureau of Insurance to enter into agreements for the sharing of otherwise confidential information with the Financial Industry Regulatory Authority and the National Association of Registered Agents and Brokers if the recipient of the information agrees to maintain the same level of confidentiality as is available under

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Maine law and has demonstrated that it has the legal authority to do so.

The law sets license fees for nonresidents acting in this State as insurance producers pursuant to a national nonresident insurance producer license issued by the National Association of Registered Agents and Brokers and requires them to be appointed by the insurers they represent according to the procedures otherwise applicable to appointment of producers, including the payment of appointment fees.

### **LD 1506     An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers**

**PUBLIC 178**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R FOLEY R	OTP-AM	S-142 S-154    WHITTEMORE R

This bill specifies the rights and obligations of parties to a guaranteed asset protection waiver. A guaranteed asset protection waiver is a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of the amount due on a borrower's finance agreement for a motor vehicle in the event of a total physical damage loss or unrecovered theft of the motor vehicle.

#### **Committee Amendment "A" (S-142)**

This amendment makes the following changes to the bill.

1. It clarifies that guaranteed asset protection waivers must include a cancellation provision and ensures that consumers are entitled to pro rata refunds upon cancellation.
2. It includes specific references to the Maine Revised Statutes, Title 24-A.
3. It clarifies that the Superintendent of Financial Institutions is the regulator in relation to state-chartered banks and credit unions.
4. It makes technical changes to use terminology consistent with current law.

#### **Senate Amendment "A" To Committee Amendment "A" (S-154)**

This amendment adds cross-references and specifically refers to credit unions to ensure that credit unions are included in the bill's provisions.

#### **Enacted Law Summary**

Public Law 2017, chapter 178 specifies the rights and obligations of parties to a guaranteed asset protection waiver. A guaranteed asset protection waiver is a contractual agreement in which a creditor agrees for a separate charge to cancel or waive all or part of the amount due on a borrower's finance agreement for a motor vehicle in the event of a total physical damage loss or unrecovered theft of the motor vehicle.

### **LD 1507     An Act To Establish a Student Loan Bill of Rights To License and Regulate Student Loan Servicers**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VITELLI E HIGGINS N		

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

This bill does the following.

1. It creates a position of student loan ombudsman under the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection. The student loan ombudsman's duties include: receiving, reviewing and, if possible, resolving complaints from student loan borrowers; compiling and analyzing student loan borrower data; assisting student loan borrowers to understand their rights and responsibilities; providing information to the public, agencies and Legislators regarding concerns of student loan borrowers and making recommendations to resolve them; analyzing and monitoring the development and implementation of other legislation and policies that affect student loan borrowers and recommending necessary changes; reviewing student loan history for borrowers who consent; disseminating information about the ombudsman's availability to assist others; establishing and maintaining a student loan borrower education course; and other necessary actions.
2. It requires the superintendent to submit an annual report by January 1st of each year in regard to the effectiveness of the student loan ombudsman and to recommend additional steps necessary to gain regulatory control over licensing and enforcement with respect to student loan servicers.
3. It establishes a licensing procedure for student loan servicers, which includes an investigation of an applicant, along with a license fee and an investigation fee.
4. It identifies prohibited acts for student loan servicers, including employing any scheme, device or artifice to defraud or mislead student loan borrowers.
5. It identifies duties of the superintendent in regard to investigations and examinations of student loan servicers.
6. It requires student loan servicers to comply with all applicable federal laws and regulations related to student loan servicing.
7. It requires the Commissioner of Professional and Financial Regulation to adopt routine technical rules necessary to carry out the provisions in this bill.

### **Committee Amendment "A" (S-188)**

This amendment makes the following changes to the bill.

1. It removes the provision creating the position of student loan ombudsman under the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection.
2. It clarifies the definition of "student education loan."
3. It provides an exemption from the licensing provisions for supervised financial organizations, financial institution holding companies and mutual holding companies and clarifies that a student loan servicer does not include supervised financial organizations, financial institution holding companies and mutual holding companies.
4. It provides an exemption from the licensing provisions for the Finance Authority of Maine.
5. It provides funding to the department for additional printing, copying and postage.

This amendment was not adopted.

This bill was reported out of committee and then recommitted to the committee; it was then carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

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### **LD 1540     An Act To Protect Consumers' Freedom of Choice in Auto Collision Repairs**

**Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMANN S	OTP-AM ONTP	H-278

This bill amends the provisions of law regarding insurers' initial communications with an insured or claimant filing a claim for collision damage to an automobile in the following ways.

1. It clarifies that an insurer may not intimidate, coerce, threaten or provide incentive or inducement to the insured or claimant to use any particular specified place of business to repair the automobile.
2. It requires an insurer to submit to and have approved by the Superintendent of Insurance the script or talking points the insurer requires to be read or told to an insured or claimant upon receiving the claim and to include in the script or talking points an advisory that the insured or claimant has the legal right to choose the motor vehicle repair service to fix the vehicle.
3. It makes a violation of the provisions of this bill and the other provisions regarding free competition in insurance for motor vehicle repairs an unfair trade practice and a civil violation with graduated fines from \$1,000 for a first offense to \$5,000, a requirement for the second and subsequent offense that the insurer provide proof of corrective measures and, for a fourth or subsequent offense within a 12-month period, possible suspension or revocation of the insurer's certificate of authority.
4. It allows the Attorney General to enforce the provisions of this bill and the other provisions regarding free competition in insurance for motor vehicle repairs.

#### **Committee Amendment "A" (H-278)**

This amendment is the majority report of the committee and replaces the bill. The amendment clarifies the provision of law regarding an insurer's communication with an insured or a claimant filing a claim for collision damage to an automobile by requiring an insurer that recommends a particular motor vehicle repair service or a network of repair services to convey to an insured or a claimant upon receiving the claim that the insured or claimant has the legal right to choose the motor vehicle repair service to fix the vehicle.

### **LD 1544     An Act To Update the Maine Insurance Code To Maintain Conformance with Uniform National Standards**

**PUBLIC 169**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP	

This bill updates several provisions of the Maine Insurance Code to incorporate recent amendments to model laws adopted by the National Association of Insurance Commissioners, or NAIC, and makes related technical changes. These amendments maintain the State's compliance with uniform financial solvency standards and with the NAIC's accreditation requirements for state insurance regulators.

Part A enhances regulatory oversight and complies with NAIC accreditation requirements by requiring domestic insurance carriers to file corporate governance annual disclosure reports and clarifying the filing requirement for quarterly financial statements. These requirements apply to health maintenance organizations, nonprofit hospital and medical service organizations and fraternal benefit societies as well as to traditional commercial insurance

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companies. Part A also updates the procedures for examinations and holding company supervision for health maintenance organizations, updates other financial reporting laws to conform to current requirements and clarifies the applicability of statutory accounting principles to nonprofit hospital and medical service organizations.

Part B facilitates coordinated regulatory action and complies with NAIC accreditation requirements by incorporating a group supervision framework. It amends the law regarding Maine insurance holding companies and examination laws to update obsolete references to the former NAIC Examiners' Handbook. It clarifies the Superintendent of Insurance's ability to hire examiners with any necessary credentials. It resolves inconsistencies in the criminal conviction reporting requirements and clarifies that dividend payments and affiliate transactions are aggregated over any consecutive 12-month period for purposes of applying statutory materiality thresholds.

Part C amends the law regarding credit for reinsurance to allow the Superintendent of Insurance to waive certain requirements and to incorporate the recently developed framework establishing uniform minimum collateral requirements for reserve financing transactions.

Part D corrects a conflict between state and federal insolvency laws and clarifies the priority of secured claims and federal claims.

Part E updates the Maine Business Transacted with Broker-Controlled Insurer Act to conform it to the current NAIC model act and comply with NAIC accreditation requirements. It corrects an inconsistency by clarifying the law's applicability to domestic risk retention groups, and it replaces obsolete references to "brokers" with references to "producers." Part E also clarifies a definition of "licensed insurer," amends the disclosure section to treat the producer rather than the insurer as the controlling party, removes superfluous enforcement language and repeals an obsolete transition clause.

Part F makes technical corrections to the risk-based capital standards laws to address issues identified during the most recent Department of Professional and Financial Regulation, Bureau of Insurance accreditation review. These amendments codify current practice and maintain compliance with NAIC accreditation requirements, clarifying that the solvent run-off exception to mandatory control does not apply to health insurers, clarifying that confidential risk-based capital information may be shared with other public officials and agencies on the same basis as other confidential regulatory information, providing that risk-based capital information may not be used for rate-making purposes except to the extent that ratemaking and related activities are part of a corrective action for a risk-based capital impaired insurer and clarifying that the corrective action plan requirements for foreign insurers apply at all action levels.

Part G updates the captive insurance companies laws to respond to emerging regulatory issues and to make technical corrections. It clarifies the definitions of "controlled unaffiliated business" and "pure nonprofit captive insurance company" and clarifies that a captive insurance company's license application's supporting documents must include a plan of operation and that the additional supporting documents required for sponsored captive insurers are subject to the same confidentiality provisions as the other supporting documents. It corrects obsolete references to manager-managed limited liability companies and updates the reporting provisions for association and industrial captive insurers consistent with Part A of the bill. It provides that statutory rather than generally accepted accounting principles audits are to be filed when the captive insurer uses statutory accounting principles as its general basis of accounting, requires a sponsored captive insurer's plan of operation to specify how assets and liabilities are attributed between the protected cells and the general account and clarifies that a sponsored captive insurer's obligations to reinsurers follow the reinsured participant and not the general account.

### **Enacted Law Summary**

Public Law 2017, chapter 169 updates several provisions of the Maine Insurance Code to incorporate recent amendments to model laws adopted by the National Association of Insurance Commissioners, or NAIC, and makes related technical changes. These amendments maintain the State's compliance with uniform financial solvency standards and with the NAIC's accreditation requirements for state insurance regulators.



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Part A enhances regulatory oversight and complies with NAIC accreditation requirements by requiring domestic insurance carriers to file corporate governance annual disclosure reports and clarifying the filing requirement for quarterly financial statements. These requirements apply to health maintenance organizations, nonprofit hospital and medical service organizations and fraternal benefit societies as well as to traditional commercial insurance companies. Part A also updates the procedures for examinations and holding company supervision for health maintenance organizations, updates other financial reporting laws to conform to current requirements and clarifies the applicability of statutory accounting principles to nonprofit hospital and medical service organizations.

Part B facilitates coordinated regulatory action and complies with NAIC accreditation requirements by incorporating a group supervision framework. It amends the law regarding Maine insurance holding companies and examination laws to update obsolete references to the former NAIC Examiners' Handbook. It clarifies the Superintendent of Insurance's ability to hire examiners with any necessary credentials. It resolves inconsistencies in the criminal conviction reporting requirements and clarifies that dividend payments and affiliate transactions are aggregated over any consecutive 12-month period for purposes of applying statutory materiality thresholds.

Part C amends the law regarding credit for reinsurance to allow the Superintendent of Insurance to waive certain requirements and to incorporate the recently developed framework establishing uniform minimum collateral requirements for reserve financing transactions.

Part D corrects a conflict between state and federal insolvency laws and clarifies the priority of secured claims and federal claims.

Part E updates the Maine Business Transacted with Broker-Controlled Insurer Act to conform it to the current NAIC model act and comply with NAIC accreditation requirements. It corrects an inconsistency by clarifying the law's applicability to domestic risk retention groups, and it replaces obsolete references to "brokers" with references to "producers." Part E also clarifies a definition of "licensed insurer," amends the disclosure section to treat the producer rather than the insurer as the controlling party, removes superfluous enforcement language and repeals an obsolete transition clause.

Part F makes technical corrections to the risk-based capital standards laws to address issues identified during the most recent Department of Professional and Financial Regulation, Bureau of Insurance accreditation review. These amendments codify current practice and maintain compliance with NAIC accreditation requirements, clarifying that the solvent run-off exception to mandatory control does not apply to health insurers, clarifying that confidential risk-based capital information may be shared with other public officials and agencies on the same basis as other confidential regulatory information, providing that risk-based capital information may not be used for rate-making purposes except to the extent that ratemaking and related activities are part of a corrective action for a risk-based capital impaired insurer and clarifying that the corrective action plan requirements for foreign insurers apply at all action levels.

Part G updates the captive insurance companies laws to respond to emerging regulatory issues and to make technical corrections. It clarifies the definitions of "controlled unaffiliated business" and "pure nonprofit captive insurance company" and clarifies that a captive insurance company's license application's supporting documents must include a plan of operation and that the additional supporting documents required for sponsored captive insurers are subject to the same confidentiality provisions as the other supporting documents. It corrects obsolete references to manager-managed limited liability companies and updates the reporting provisions for association and industrial captive insurers consistent with Part A of the law. It provides that statutory rather than generally accepted accounting principles audits are to be filed when the captive insurer uses statutory accounting principles as its general basis of accounting, requires a sponsored captive insurer's plan of operation to specify how assets and liabilities are attributed between the protected cells and the general account and clarifies that a sponsored captive insurer's obligations to reinsurers follow the reinsured participant and not the general account.

# *Joint Standing Committee on Insurance and Financial Services*

## **SUBJECT INDEX**

### **Banking and Credit Unions**

#### **Enacted**

LD 239	An Act To Require National Banks To Cooperate in the Administration of the General Assistance Program	PUBLIC 28
LD 1055	An Act To Update the Statutes under Which Maine's Credit Unions Are Chartered	PUBLIC 143

#### **Not Enacted**

LD 145	An Act To Protect Consumers from Closure of Inactive Bank Accounts	ONTP
LD 237	An Act To Establish a State Bank	Majority (ONTP) Report
LD 389	An Act To Promote Access to Financial Institutions by Entities That Are Authorized under State Law	CARRIED OVER
LD 968	An Act To Help Prevent Financial Elder Abuse	CARRIED OVER

### **Consumer Credit**

#### **Enacted**

LD 1199	An Act To Promote Fiscal Responsibility in the Purchasing of Debt	PUBLIC 216
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#### **Not Enacted**

LD 360	An Act To Allow Consumers To Shop for Credit without Damaging Their Credit Scores	ONTP
LD 660	An Act To Allow Credit and Debit Card Surcharges	CARRIED OVER
LD 920	An Act Regarding Credit Card Interest Rates	ONTP
LD 1164	An Act To Facilitate Small Loans in Maine	ONTP
LD 1242	An Act To Prevent Abusive Debt Collection Tactics by Debt Buyers	ONTP

### **Foreclosure Process**

#### **Enacted**

LD 880	An Act To Protect a Homeowner's Equity of Redemption in a Foreclosure Action	PUBLIC 133
LD 1292	An Act To Improve the Foreclosure Process by Regulating Mortgage Loan Servicers	PUBLIC 106

## **Insurance, Health**

### **Enacted**

LD 6	An Act To Prohibit Insurance Carriers from Charging Enrollees for Prescription Drugs in Amounts That Exceed the Drugs' Costs	PUBLIC 44
LD 445	An Act To Encourage Maine Consumers To Comparison-shop for Certain Health Care Procedures and To Lower Health Care Costs	PUBLIC 232
LD 556	Resolve, Regarding Legislative Review of Portions of Chapter 191: Health Maintenance Organizations and of the Final Repeal of Chapter 750: Standardized Health Plans, Major Substantive Rules of the Department of Professional and Financial Regulation, Bureau of Insurance	RESOLVE 8 EMERGENCY
LD 659	An Act To Amend the Maine Guaranteed Access Reinsurance Association Act	PUBLIC 124
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LD 1385	An Act Governing Direct Primary Care Service Agreements	PUBLIC 112
LD 1557	An Act To Protect Maine Consumers from Unexpected Medical Bills	PUBLIC 218

### **Not Enacted**

LD 192	An Act To Require Insurance Coverage for Hearing Aids	CARRIED OVER
LD 453	Resolve, Regarding Insurance Coverage for Alternative Therapies for Addiction and Recovery	CARRIED OVER
LD 608	An Act Regulating Employee Benefit Excess Insurance	ONTP
LD 609	An Act To Prohibit Insurance Carriers That Are Not Health Insurance Carriers from Operating as Managed Care Organizations	Leave to Withdraw Pursuant to Joint Rule 310
LD 666	An Act To Improve Access to Cost-effective Health Care Services	ONTP
LD 718	An Act To Reinstitute the Maine Health Exchange Advisory Committee	Majority (ONTP) Report
LD 769	An Act To Eliminate Insurance Rating Based on Age, Geographic Location or Smoking History and To Reduce Rate Variability Due to Group Size	Died Between Houses
LD 770	An Act To Clarify Insurance Coverage in School-based Health Centers	Majority (ONTP) Report

LD 817	An Act To Promote Early Detection of Breast Cancer	Majority (ONTP) Report
LD 900	An Act Regarding Insurance Coverage of Certain Dental Services	Majority (ONTP) Report
LD 949	An Act Regarding Telehealth	Veto Sustained
LD 1030	An Act To Require Nondiscrimination Policies in Providing Health Care Services	CARRIED OVER
LD 1032	An Act To Ensure Protection and Health Insurance of Patients	CARRIED OVER
LD 1064	An Act To Require That Health Insurance Policies Cover Medical Marijuana	Majority (ONTP) Report
LD 1274	An Act To Promote Universal Health Care, Including Dental, Vision and Hearing Care	ONTP
LD 1279	An Act To Ensure Patient Protections in the Health Insurance Laws	CARRIED OVER
LD 1407	An Act Regarding Prescription Drug Step Therapy	CARRIED OVER
LD 1417	An Act To Require Insurance Coverage for the Diagnosis and Treatment of Lyme Disease	CARRIED OVER
LD 1476	An Act To Ensure Continued Coverage for Essential Health Care	CARRIED OVER

### **Insurance, Motor Vehicle**

#### **Enacted**

LD 308	An Act To Prohibit Charging Maine Seniors Higher Automobile Insurance Premiums Based Solely on Their Age	PUBLIC 11
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#### **Not Enacted**

LD 722	An Act Regarding Uninsured Vehicle Coverage	ONTP
LD 1540	An Act To Protect Consumers' Freedom of Choice in Auto Collision Repairs	Veto Sustained

### **Insurance, Regulation and Practices**

#### **Enacted**

LD 12	An Act To Incorporate Protections for Living Donors into Maine Law	PUBLIC 20
LD 361	An Act To Ensure Fair Compensation for Licensed Insurance Agents	PUBLIC 60
LD 658	An Act To Conform Maine Law Regarding Insurer Privacy Notices to Federal Law	PUBLIC 36
LD 1161	An Act To Amend the Insurance Laws Governing the Provision of Rebates	PUBLIC 84

LD 1229	An Act To Ensure Life Insurance Claims Are Paid	PUBLIC 129
LD 1386	An Act To Clarify the Public Nature of Annual Statements of Life Settlement Providers	PUBLIC 75
LD 1486	An Act To Clarify the Status of the Financial Industry Regulatory Authority and the National Association of Registered Agents and Brokers under the Maine Insurance Code	PUBLIC 115
LD 1544	An Act To Update the Maine Insurance Code To Maintain Conformance with Uniform National Standards	PUBLIC 169

**Not Enacted**

LD 696	An Act Regarding Insurance and Financial Services	CARRIED OVER
LD 870	An Act To Protect Life Insurance Beneficiaries	ONTP
LD 1138	An Act To Require Notification of Long-term Care Policy Proposed Rate Increases	Majority (ONTP) Report

**Insurance, Workers' Compensation**

**Enacted**

LD 592	An Act To Enable the Maine Employers' Mutual Insurance Company To Better Serve Maine Employers by Eliminating the High-risk Program	PUBLIC 15
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**Miscellaneous**

**Enacted**

LD 1506	An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers	PUBLIC 178
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**Not Enacted**

LD 284	An Act Concerning Notification after a Security Breach	Majority (ONTP) Report
LD 502	An Act Regarding Hospital Charges and Statements	ONTP

**Mortgage Lending**

**Not Enacted**

LD 1354	An Act Relating to Exempt Equity in a Primary Residence	ONTP
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**State Employees, Office of Employee Health and Benefits**

**Enacted**

LD 1198	An Act To Enhance the Administration of the State's Group Health Plan	PUBLIC 56 EMERGENCY
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***Student Loans***

**Not Enacted**

LD 1507

An Act To Establish a Student Loan Bill of Rights To License  
and Regulate Student Loan Servicers

CARRIED OVER