

**Joint Standing Committee on Insurance and Financial Services
128th Legislature First Regular Session
Brief Summary of Enacted Laws**

LD	Law/Resolve	Title	Summary of Provisions
6	Enacted as Public Law 2017, chapter 44	An Act To Prohibit Insurance Carriers from Charging Enrollees for Prescription Drugs in Amounts That Exceed the Drugs' Costs	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.
12	Governor's Veto Overridden; Enacted as Public Law 2017, chapter 20	An Act To Incorporate Protections for Living Donors into Maine Law	Public Law 2017, chapter 20 prohibits an insurer authorized to do business in this State from: <ol style="list-style-type: none"> 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.
239	Enacted as Public Law 2017, chapter 28	An Act To Require National Banks To Cooperate in the Administration of the General Assistance Program	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.

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308	Enacted as Public Law 2017, chapter 11	An Act To Prohibit Charging Maine Seniors Higher Automobile Insurance Premiums Based Solely on Their Age	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.
361	Enacted as Public Law 2017, chapter 60	An Act To Ensure Fair Compensation for Licensed Insurance Agents	<p>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 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.</p> <p>The provisions of Public Law 2017, chapter 60 apply to health plans issued or renewed on or after January 1, 2018.</p>
445	Enacted as Public Law 2017, chapter 232	An Act To Encourage Maine Consumers To Comparison-shop for Certain Health Care Procedures and To Lower Health Care Costs	<p>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.</p> <p>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.</p>

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			<p>Beginning January 1, 2019, the law 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 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.</p> <p>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.</p>
556	Emergency Finally Passed as Resolve 2017, chapter 8 without Governor's Signature; effective 4/30/17	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 Bureau of Insurance	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.
592	Enacted as Public Law 2017, chapter 15	An Act To Enable the Maine Employers' Mutual Insurance Company To Better Serve Maine Employers by Eliminating the High-risk Program	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.
658	Enacted as Public Law 2017, chapter	An Act To Conform Maine Law Regarding Insurer Privacy Notices to	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

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	36	Federal Law	benefits are changed. The law requires that the notices must be provided if a change is made in the insurer's information practices.
659	Enacted as Public Law 2017, chapter 124	An Act To Amend the Maine Guaranteed Access Reinsurance Association Act	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.
880	Became Law without Governor's Signature; Enacted as Public Law 2017, chapter 133	An Act To Protect a Homeowner's Equity of Redemption in a Foreclosure Action	<p>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.</p> <p>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.</p>
1055	Governor's Veto Overridden; Enacted as Public Law 2017, chapter 143	An Act To Update the Statutes under Which Maine's Credit Unions Are Chartered	<p>Public Law 2017, chapter 143 updates the charter provisions for state-chartered credit unions.</p> <ol style="list-style-type: none"> 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

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			<p>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.</p> <p>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%.</p> <p>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.</p> <p>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.</p>
1161	Enacted as Public Law 2017, chapter 84	An Act To Amend the Insurance Laws Governing the Provision of Rebates	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.

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1198	Emergency Enacted as Public Law 2017, chapter 56; effective May 11, 2017	An Act To Enhance the Administration of the State's Group Health Plan	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.
1199	Enacted as Public Law 2017, chapter 216	An Act To Promote Fiscal Responsibility in the Purchasing of Debt	<p>Public Law 2017, chapter 216 amends the Maine Fair Debt Collection Practices Act in the following ways.</p> <ol style="list-style-type: none"> 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. 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. <p>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.</p>
1229	Enacted as Public Law 2017, chapter 129	An Act To Ensure Life Insurance Claims Are Paid	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.

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1237	Became Law without Governor's Signature; Enacted as Public Law 2017, chapter 190	An Act To Require Insurance Coverage for Contraceptive Supplies	<p>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.</p> <p>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.</p>
1292	Enacted as Public Law 2017, chapter 106	An Act To Improve the Foreclosure Process by Regulating Mortgage Loan Servicers	<p>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.</p>
1385	Enacted as Public Law 2017, chapter 112	An Act Governing Direct Primary Care Service Agreements	<p>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 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.</p>
1386	Enacted as Public Law 2017, chapter 75	An Act To Clarify the Public Nature of Annual Statements of Life Settlement Providers	<p>Public Law 2017, chapter 75 clarifies that annual statements filed with the Superintendent of Insurance by life settlement providers are public records.</p>

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1486	Enacted as Public Law 2017, chapter 115	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	<p>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.</p> <p>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 Maine law and has demonstrated that it has the legal authority to do so.</p> <p>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.</p>
1506	Enacted as Public Law 2017, chapter 178	An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers	<p>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.</p>
1544	Enacted as Public Law 2017, chapter 169	An Act To Update the Maine Insurance Code To Maintain Conformance with Uniform National Standards	<p>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.</p> <p>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</p>

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

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			<p>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.</p> <p>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.</p>
1557	Enacted as Public Law 2017, chapter 218	An Act To Protect Maine Consumers from Unexpected Medical Bills	Public Law 2017, chapter 218 provides that a carrier shall require an enrollee that receives a surprise bill from an out-of-network provider to pay only the applicable cost-sharing coinsurance, copayment, deductible or other out-of-pocket expense that would be imposed for the health care services if the services were rendered by a network provider. The law also sets the reimbursement rate for that out-of-network provider at the network rate under

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			<p>the enrollee's health plan unless the carrier and out-of-network provider agree otherwise. If an out-of-network provider is reimbursed by the carrier, the provider may not bill the enrollee for any amount beyond the enrollee's applicable cost sharing. Under the law, "surprise bill" means a bill for health care services, other than emergency services, received by an enrollee for services rendered by an out-of-network provider, when the services were rendered by the out-of-network provider at a network provider, during a service or procedure performed by a network provider or during a service or procedure previously approved or authorized by the carrier and the enrollee did not knowingly elect to obtain such services from the out-of-network provider.</p> <p>Public Law 2017, chapter 218 also requires health carriers to make available provider directories.</p> <p>The provisions of Public Law 2017, chapter 218 take effect January 1, 2018.</p>
S.P. 592	Finally Passed; effective July 20, 2017	Joint Study Order, to Establish the Task Force on Health Care Coverage for All of Maine	<p>As a result of the committee's deliberations on LD 1274, An Act to Promote Universal Health Care, Including Dental, Vision and Hearing Care, this 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 3 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 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).</p>

Unless otherwise noted, laws enacted during the First Regular Session are effective November 1, 2017.

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