



# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2022

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Legislative Document

No. 36

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S.P. 28

In Senate, December 30, 2022

### An Act to Make Corrections to the Maine Insurance Code

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

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

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

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator BRENNER of Cumberland.

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

2 **Sec. 1. 24-A MRSA §220, sub-§2**, as enacted by PL 1991, c. 26, is amended to  
3 read:

4 **2. Response to inquiries.** All insurers and other persons required to be licensed  
5 pursuant to this Title ~~and Title 24~~ shall respond to all lawful inquiries of the superintendent  
6 ~~that relate to resolution of consumer complaints involving the licensee~~ within 14 days of  
7 receipt of the inquiry and to all ~~other lawful~~ follow-up inquiries of the superintendent within  
8 ~~30~~ 5 days of receipt. If a substantive response ~~can not~~ cannot in good faith be provided  
9 within the required time ~~period~~, the person required to respond shall so advise the  
10 superintendent and provide the reason for the inability to respond. The superintendent may  
11 adopt routine technical rules as defined in Title 5, chapter 375, subchapter 2-A to  
12 implement the requirements of this subsection.

13 **Sec. 2. 24-A MRSA §1106, sub-§4**, as amended by PL 2001, c. 524, §2, is further  
14 amended to read:

15 **4.** Except as otherwise expressly provided, an insurer may not invest more than 10%  
16 of its assets in the securities of any one person, other than investments eligible under the  
17 following sections:

18 A. 1107 (public obligations);

19 B. 1108 (obligations, stock of certain federal and international agencies); ~~and~~

20 C. 1120 (common trust funds, mutual funds), but as to this exception, only with the  
21 prior approval of the superintendent and only in index mutual funds in an amount up  
22 to 20% of the insurer's assets; ~~and~~

23 D. 1115 (stocks of subsidiaries), but only with the prior approval of the superintendent.

24 **Sec. 3. 24-A MRSA §1155**, as amended by PL 2001, c. 524, §3, is further amended  
25 to read:

26 **§1155. Diversification**

27 Investments of an insurer shall be subject to the following diversification requirements  
28 and limitations.

29 **1. Real estate; personal property; equity interests; subsidiaries.** Not more than  
30 40% of the insurer's assets in aggregate amount may consist of investments described in  
31 the following ~~subdivisions~~ paragraphs:

32 A. Real estate, section 1156, subsection 2, paragraph D, subparagraph (1);

33 B. Personal property, section 1156, subsection 2, paragraph E;

34 C. Equity interests, section 1156, subsection 2, paragraph F; and

35 D. Subsidiaries, section 1157, except as provided in that section.

36 If, on or after the effective date of this subsection, the insurer makes investments of those  
37 types in institutions or property located within the State aggregating 1% or more of its  
38 assets, the 40% limitation in this subsection ~~shall~~ must be increased by an equal amount up  
39 to 45%, exclusive of those investments in institutions or property located within the State,

1 thus providing for a maximum limit on the investments described in those subdivisions  
2 paragraphs of 50% of the insurer's assets.

3 **2. ~~Government obligations; policy loans; other Counter-party limitations.~~** Except  
4 as otherwise expressly provided, an insurer may not invest in or may not incur counter-  
5 party exposure to any one person if, after giving effect to those investments and that  
6 counter-party exposure, the aggregate of those investments in and that counter-party  
7 exposure to that person would exceed 10% of the insurer's admitted assets, with the  
8 following exceptions:

9 A. Government obligations pursuant to section 1156, subsection 2, paragraph A;

10 B. Policy loans pursuant to section 1158; and

11 C. Index mutual funds, but as to this exception, only with the prior approval of the  
12 superintendent and limited to 20% of the insurer's admitted assets.

13 **3. Other investment limitations.** Other investment limitations ~~shall be~~ are as  
14 provided in particular sections of this chapter.

15 **Sec. 4. 24-A MRSA §1481**, as enacted by PL 1997, c. 457, §23 and affected by  
16 §55, is amended to read:

17 **§1481. ~~Continuing education advisory committee~~ Education Advisory Committee**

18 The Continuing Education Advisory Committee is established and consists of 6  
19 members appointed by the superintendent for terms of 3 years each, on a staggered-term  
20 basis to prevent the terms of more than 2 members from expiring in any one year. A person  
21 may ~~not~~ be reappointed to the committee for more than one 3-year term. A person is  
22 ineligible for appointment to the committee unless that person is an active, full-time  
23 insurance producer or consultant. Committee members are eligible for reimbursement of  
24 expenses. The superintendent may remove a committee member for cause.

25 **Sec. 5. 24-A MRSA §2808-B, sub-§2-A, ¶C**, as amended by PL 2019, c. 653, Pt.  
26 B, §5, is further amended to read:

27 C. Rates for small group health plans must be filed in accordance with this section and  
28 subsections 2-B and 2-C or section 2792, as applicable, for premium rates effective on  
29 or after July 1, 2004, ~~except that the rates for small group health plans are not required~~  
30 ~~to account for any payment or any recovery of that payment pursuant to subsection~~  
31 ~~2-B, paragraph D and former section 6913 for rates effective before July 1, 2005.~~

32 **Sec. 6. 24-A MRSA §2808-B, sub-§2-B, ¶A**, as amended by PL 2009, c. 244, Pt.  
33 G, §2, is further amended to read:

34 A. Rates subject to this subsection must be filed for approval by the superintendent.  
35 The superintendent shall disapprove any premium rates filed by any carrier, whether  
36 initial or revised, for a small group health plan unless it is anticipated that the aggregate  
37 benefits estimated to be paid under all the small group health plans maintained in force  
38 by the carrier for the period for which coverage is to be provided will return to  
39 policyholders at least 75% of the aggregate premiums collected for those policies, as  
40 determined in accordance with accepted actuarial principles and practices and on the  
41 basis of incurred claims experience and earned premiums. ~~For the purposes of this~~  
42 ~~calculation, any payments paid pursuant to former section 6913 must be treated as~~  
43 ~~incurred claims.~~

