



DEPARTMENT OF

**Professional &
Financial Regulation**

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

Program Evaluation Report

**As Required by the Government Evaluation Act
3 MRSA § 955**

Submitted to the

**Joint Standing Committee on Health Coverage, Insurance and
Financial Services**

And

**Joint Standing Committee on Innovation, Development,
Economic Advancement and Business**

November 1, 2023

**DEPARTMENT OF PROFESSIONAL AND FINANCIAL
REGULATION**

*Program Evaluation Report
As Required by the Government Evaluation Act
3 MRSA § 955
11/1/2023*

Table of Contents

Department of Professional and Financial Regulation.....	1
Office of the Commissioner and Administrative Services Division	4
Bureau of Consumer Credit Protection.....	9
Bureau of Financial Institutions	16
Bureau of Insurance	25
Office of Professional and Occupational Regulation.....	51
Office of Securities	65
Attachment A: Commissioner’s Office & Administrative Services Division (ASD) ...	76
Attachment B: Bureau of Consumer Credit Protection (BCCP).....	80
Attachment C: Bureau of Financial Institutions (BFI).....	91
Attachment D: Bureau of Insurance (BOI)	94
Attachment E: Office of Professional & Occupational Regulation (OPOR)	100
Attachment F: Office of Securities (OOS).....	107
Attachment G: DPFR Policy on Collecting, Managing and Using Personal Information	120

DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

DPFR Mission Statement

To encourage sound, ethical business practices through high quality, impartial and efficient regulation of insurers, financial institutions, creditors and numerous professions and occupations to protect the citizens of Maine.

Department Overview

The Department of Professional and Financial Regulation (DPFR or the Department) consists of five agencies: the Bureaus of Financial Institutions, Insurance, Consumer Credit Protection, the Offices of Securities, Professional and Occupational Regulation, and a centralized Administrative Services Division, which includes the Commissioner's Office. In addition, there are five boards affiliated with the Department through the Commissioner's oversight of the state budget process.¹ The Commissioner of DPFR is a member of the Governor's cabinet and serves as a liaison between the Department, its affiliated boards, and the Governor.

The Department of Professional and Financial Regulation serves and protects the public through a broad range of statutorily authorized responsibilities, such as examining and overseeing state-chartered financial institutions and bank holding companies; regulating insurance companies, agencies, and producers; administering and enforcing the Maine Uniform Securities Act; regulating grantors of consumer credit; and by licensing and regulating numerous professions and occupations.

The Department protects Maine consumers through its licensing, examining, and auditing activities. It conducts programs aimed at increasing voluntary compliance with State laws, investigates possible violations of law and undertakes enforcement actions, as needed. The Department responds to

¹ Board of Licensure in Medicine; Board of Osteopathic Licensure; Board of Nursing; Board of Professional Engineers; Board of Optometry

consumer complaints and requests for information. Staff also conducts educational outreach programs to make consumers aware of their rights under Maine laws and help licensees understand their responsibilities. The Department continuously strives to enhance its services and resources available to the public.

History and Organization

The Department of Business Regulation was created in October 1973 as part of a state government reorganization designed to consolidate related agencies along functional lines and strengthen executive direction. Some of the agencies originally placed under the jurisdiction of the Department were the Bureau of Banking, the Bureau of Insurance, and the Real Estate Commission.

The Special Session of the 106th Legislature established the Bureau of Consumer Credit Protection to enforce the Maine Consumer Credit Code, which became effective January 1, 1975. In 1987 the name of the Department was changed to Professional and Financial Regulation.

The Special Session of the 107th Legislature established a central licensing division, now called the Office of Professional and Occupational Regulation (OPOR).

Currently, the Department consists of a centralized Administrative Services Division, the five agencies: the Bureau of Financial Institutions; the Bureau of Consumer Credit Protection, the Bureau of Insurance, the Office of Securities, and the Office of Professional and Occupational Regulation and the five professional licensing boards that are affiliated with the Department: the Board of Licensure in Medicine, the Maine State Board of Nursing, the Board of Licensure for Professional Engineers, the Maine State Board of Optometry and the Board of Osteopathic Licensure. These “affiliated” boards completed their Government Evaluation Act review by the Joint Standing Committee on Labor, Commerce, Research and Economic Development in 2019. For budgetary and other reasons, the Board of Dental Examiners was transferred into the Office of Professional and Occupational Regulation during the 131st legislative session.

Staffing and Composition

With a position count of 205 positions, the Department is relatively small compared to other cabinet-level agencies. Due to the complex nature of its regulatory activity, the Department employs professional and technical staff, including CPAs, actuaries, attorneys, and licensed inspectors.

The Department emphasizes continuing professional development, training, and education. The staff is highly motivated and dedicated to effective regulation and public service.

Department Funding Source

The Department and each of its agencies and boards are funded entirely through dedicated revenue. These funding sources include licensing, examination, assessment, volume and filing fees paid by the regulated individuals or entities.

The Department also contributes significantly to the General Fund primarily through the Office of Securities' registration and licensing fees, as well as fines collected from other Department agencies. Occasionally, the Legislature orders periodic transfers of the Department's Other Special Revenue funds (dedicated revenue) to support legislative initiatives unrelated to the regulatory functions of the Department, its agencies, and boards. However, those transfers diminish the resources available for the Department's agencies and boards to perform their statutorily mandated public protection purposes and unduly burdens the licensees whose fees support the Department, its agencies, and boards with the responsibility of funding initiatives that benefit the general public.

**OFFICE OF THE COMMISSIONER
AND
ADMINISTRATIVE SERVICES DIVISION**

A. Enabling or Authorizing Law

The Commissioner's Office and the Administrative Service Division (ASD) are authorized through 10 MRSA §8003.

B. Description of Programs

The Commissioner's Office coordinates administrative and legislative support for all bureaus, offices, boards, and commissions within the Department. The Commissioner is the administrative head of the Department. In this capacity, the Commissioner provides centralized budgeting coordination, initiates, and monitors all policy implementation and strategic planning, and directs the day-to-day management of the Department. The Commissioner develops the Department's legislative program and coordinates it within the Department and with the Administration.

The Commissioner is responsible for reviewing the policy and operation of agencies within the Department to ensure that each complies with its statutory and public service responsibilities. The Commissioner may not interfere with the exercise of discretionary regulatory or licensing authority vested by statute directly in the bureaus, offices, boards and commissions of the Department.

In the case of affiliated boards, the Commissioner acts as a liaison with the Governor and with other units of state government. Affiliated boards submit their budgets through the Department.

The Administrative Services Division (ASD) procures and facilitates the Department's information technology services. The Division's centralized support covers such functions as budget development, contract review, purchases, cash receipts, computer services, legislative support, public communications, reception, and facility management.

Additionally, the ASD is responsible for ordering and arranging for the services provided to all units by outside staff agencies, including the Department of Administrative and Financial Services' assigned service center, the building owner and by private parties and vendors.

The ASD manages the development and administration of the Department's centralized licensing database.

Technical support for all Department computer services is provided by or procured through the Office of Information Technology.

C. Organizational Structure

The Office of Commissioner serves as the central point of leadership within the Department. The Commissioner's Office coordinates Department-wide strategic planning and policy development; serves as the primary contact for the Governor's Office, the Legislature, and other governmental agencies; facilitates communications with the public and media; and ensures intra-agency cooperation and collaboration.

The Administrative Services Division, which is led by the Commissioner and includes the Commissioner's Office, has 11 authorized positions. The ASD Administrative Unit provides centralized fiscal and facility management for the Department, while the ASD Information Systems Support Services Unit coordinates automation and electronic communication objectives.

D. Repealed, P.L. 2013 c. 307

E. Financial Summary

The ASD financial summary is found in Attachment A.

F. Repealed, P.L. 2013 c. 307

G. Areas of Coordination with Other State and Federal Agencies

The Commissioner's Office is the primary liaison to the State Budget Office, the Controller's Office, the Department of Audit, other state departments, the Legislature, and the Governor's Office.

The ASD also works closely with the Administrative and Information Technology Service Centers within the Department of Administrative and Financial Services (DAFS) to coordinate support for the agencies and boards within the Department.

H. Constituencies

The Commissioner's Office primarily serves to support the agencies within, and the boards affiliated with the Department and to act as a liaison between the Department, the Governor's Office, other state departments, the Legislature and the public.

I. Alternative Delivery Systems

The ASD supports agencies and boards within and affiliated with the Department as well as the Administrative and Information Technology Service Centers within the Department of Administrative and Financial Services (DAFS).

In coordination with the Office of Information Technology, the ASD has made aggressive use of information technology to assist agencies within the Department. In the past ten years, this cooperative effort has resulted in the expansion of online initial licensing, online license renewal services, many downloadable forms, online licensee search features and many other electronic processes.

J. Emerging Issues

Commissioner Authority

The COVID-19 public health emergency identified certain limitations in the DPFR Commissioner's authority. During the pandemic the Department was urged to become involved in policy questions outside of the Department's statutory authority. The Commissioner does not have authority to enforce public health measures related to its agencies and licensees.

In addition, the Commissioner has no statutory authority to coordinate or recommend policy direction to the agencies, affiliated boards, and licensing entities within OPOR. While the Commissioner does not want to interfere with the important work of those agencies and boards, each of which has highly specialized expertise, there are times when it would be appropriate for the Commissioner to be able to exercise authority to direct policy decisions as may be requested by the chief executive or the legislative committees of jurisdiction.

Staffing & Services

Like many other government agencies and businesses across the country the Department was impacted by "the great resignation" which was inspired in part by the pandemic and by nationwide labor shortages due in part to demographics. Three long-serving agency heads retired in 2021 and 2022: the Superintendent of Insurance, Superintendent of Consumer Credit Protection, and the Administrator of the Office of Securities. At the time of submission of this report only the Superintendent of Insurance position continues to be unfilled.

In addition to the retirement of three agency heads, the Department has experienced the retirement of other long-time staff. Filling vacancies is challenging, especially given the State's wage structure compared to private businesses. Ongoing staff vacancies may eventually impact the ability of the Department to serve the public at the level and pace that the public expects and deserves.

K. Information Specifically Requested by Committee

None requested.

L. Comparison of Related Federal Laws and Regulations

Not applicable.

M. Collecting, Managing and Using Personal Information

Agencies within the Department of Professional and Financial Regulation collect personal information in a variety of ways. For purposes of this policy, "personal information" includes but is not limited to address, telephone number, and financial and medical information. Social Security Numbers and personal information are collected on license applications and during complaint investigations and compliance examinations.

The Department maintains a policy to raise awareness among employees about the proper use of Social Security Numbers and personal information. The policy is intended to prevent the indiscriminate release of such personal information and to establish a procedure to assure that public and Freedom of Access Act (FOAA) requests are made and responded to in accordance with the law.

The Department's policy is important for several reasons. Maine law provides that information in the State's possession is generally available to the public unless it is deemed confidential by statute. The Department now provides more information to the public online in response to public demand. Increased attention and concern are being focused at the state and national level on issues of privacy and access to sensitive, personal information.

Department of Professional and Financial Regulation Policy:

- PFR employees should not disclose or release Social Security Numbers contained in agency files. PFR employees receive frequent requests for copies of license applications and lists of licensees. Employees should redact all social security numbers before sending out documents responsive to these requests.
- Each agency should designate an attorney or manager responsible for processing and responding to requests for personal information, including FOAA requests. If a PFR employee receives a request from the public to review or copy documents containing personal information, the employee shall ask that the request be in writing. In addition, all responses to such requests shall be reviewed by the designated attorney or manager.
- In processing a public or FOAA request, each agency should redact information protected by statute. In addition, the agency should determine whether the request can be responded to without supplying

other personal information. Each agency may have specific information which is protected by law or regulation.

- When posting information on PFR's website, agencies should *not* post personal information, such as home addresses and telephone numbers. An exception to this rule would be in cases in which such information is directly applicable to a licensee's business, such as when a home address is also a business address or a home telephone number is also a business telephone number. Under no circumstances should Social Security Numbers be posted.
- Each agency should use its best efforts when collecting information to provide notice regarding whether the information will be treated as public or confidential information.

N. List of Reports, Applications and Other Paperwork

The Division coordinates all financial and budgetary reporting, including annual report submissions, biennial budgets, annual work programs, GAAP closing, SEFA reporting, audit statements, and others required by the Department of Administrative and Financial Services.

O. List of Reports Required by the Legislature

[Report on Tribal-State Implementation Act to HCIFS Committee - \(January 2023\) - PDF](#)

[Tribal-State Collaboration Act Policy](#)

[Professional and Financial Regulation 2022 Fee Report - \(November 2022\) - PDF](#)

[Professional and Financial Regulation 2018 Fee Report - PDF](#)

[Professional and Financial Regulation 2016 Fee Report - PDF](#)

[Program Evaluation Report as Required by the Government Evaluation Act \(3 M.R.S.A. Section 955\) \(Nov. 2015\) - PDF](#)

[Maine State Government Annual Reports](#)

P. List of Organizational Units and Programs

ASD's organizational chart is found in Attachment A.

Q. Statutory Provisions Requiring Legislative Review

None.

BUREAU OF CONSUMER CREDIT PROTECTION

A. Enabling or Authorizing Law

Bureau of Consumer Credit Protection (BCCP) is authorized through Title 9-A, § 6-103. The agency administers or co-administers the following provisions of Maine law:

9-A MRS § 1-101 <i>et seq.</i>	Maine Consumer Credit Code
32 MRS § 11001 <i>et seq.</i>	Maine Fair Debt Collection Practices Act
10 MRS § 1306 <i>et seq.</i>	Fair Credit Reporting Act
5 MRS § 4595 <i>et seq.</i>	Fair Credit Extension Section, Maine Human Rights Act
10 MRS § 363(8)	MELA student loan disclosures
10 MRS § 1121 <i>et seq.</i>	Plain Contract Language Law
10 MRS § 1271 <i>et seq.</i>	Protection of Social Security Numbers
10 MRS § 1395 <i>et seq.</i>	Regulation of Exchange Facilitators
10 MRS § 1400-A <i>et seq.</i>	Regulation of Residential Real Estate Settlement Agencies
10 MRS § 1495	Payroll Processors
10 MRS § 1500-H	Guaranteed Asset Protection Waivers
14 MRS §§ 6111 - 6112	Statewide Foreclosure Outreach and Homeowner Counseling Referral Program
17 MRS § 701 <i>et seq.</i>	Budget Planning Business
30-A MRS § 3960 <i>et seq.</i>	Pawnbrokers
32 MRS § 6101 <i>et seq.</i>	Money Transmitters Act
32 MRS § 6131 <i>et seq.</i>	Check Cashing and Foreign Currency Exchange Act
32 MRS § 6151 <i>et seq.</i>	Non-bank Cash-Dispensing Machines (ATMs)
32 MRS § 6171 <i>et seq.</i>	Debt Management Services Act
32 MRS § 6191 <i>et seq.</i>	Foreclosure Purchasers
32 MRS § 14051 <i>et seq.</i>	Employee Leasing Companies
33 MRS § 521 <i>et seq.</i>	Funded Settlement Act

B. Description of the Program

BCCP was established to protect the citizens of Maine from unfair and deceptive practices with respect to consumer credit. The primary responsibility of the agency is to protect Maine consumers through implementation of the Maine Consumer Credit Code. The Code requires the agency to promote the development of equitable consumer credit practices; encourage competition among credit grantors; and ensure that the regulation of consumer credit transactions in Maine conforms to the policies of the federal Truth-in-Lending Act and the Real Estate Settlement Procedures Act (RESPA).

Over the years, the agency's responsibilities have expanded beyond its original, core mission to include administration of state laws concerning retail creditors, mortgage companies, collection agencies, "plain language" consumer loan contracts, credit reporting agencies, loan brokers, mortgage loan officers, rent-to-own companies, pawnbrokers, personal finance companies, money order issuers, check cashers, foreign currency exchangers, non-bank ATM operators, debt management and debt settlement companies, repossession companies, "like-kind" exchange facilitators, student loan servicers, payroll processors, servicers of credit contracts, litigation funding providers, real estate settlement agencies, and residential real estate property preservation companies.

The mission and priorities of BCCP focus on consumer credit protection and the promotion and regulation of lower cost financial services to the under and unbanked population of Maine.

Currently BCCP licenses or registers approximately 16,340 entities, including nearly 9,000 individual mortgage loan originators. BCCP has examination responsibilities for most, but not all, of these licenses and registrations. BCCP does not have enough examiners to effectively examine all of these entities. If BCCP was to examine every entity, it would take 30+ years with no repeat examinations of the same licensee. During the past five years, BCCP conducted 951 compliance examinations, with each examination requiring a written report to the regulated company describing actions needed to bring the company's activities into regulatory compliance. Active licenses are listed by type in Attachment C.

BCCP also assists consumers who have issues with nonbank lenders and other licensed entities. Below are the top complaint categories for the past few years.²

² These numbers do not reflect the number of calls or other contacts received by Bureau staff. They reflect the number that have been determined to be bona fide complaints that we were able to address.

Top Complaint Categories:	FY23	FY22	FY21
Auto Finance	8	21	8
Credit Reporting	6	7	36
Debt Collection	27	47	55
Bank or Credit Union	12	9	4
Mortgage	36	59	94
Foreclosure Prevention	45	181	68
Student Loans	7	13	10
Other (no jurisdiction such as service complaints, surcharge, scams, miscellaneous)	92	106	163

C. Organizational Structure

BCCP is headed by a Superintendent and presently has 23 authorized positions. BCCP is divided into four functional groups: Examination, Licensing, Consumer Complaint Resolution, and the Student Loan Ombudsman.

BCCP’s organizational chart is found in Attachment B.

D. Repealed, P.L. 2013 C. 307

E. Financial Summary

BCCP’s financial summary is found in Attachment B.

F. Repealed, P.L. 2013 c. 307

G. Areas of Coordination with Other State and Federal Agencies

Department of the Secretary of State, Bureau of Motor Vehicles

BCCP works with the Bureau of Motor Vehicles to ensure lien holders of record (auto dealers that sell on credit) are registered with the BCCP in accordance with the numerical standards set forth in Title 9-A, Sections 1-301 (13) and (17).

United States Attorney for the District of Maine

BCCP meets on a regular basis with the United States Attorney's Office to work on Bank Secrecy Act and Anti-money laundering issues.

Maine Revenue Services

BCCP works with Maine Revenue Services to ensure payroll processors subject to Title 9-A, chapter 222 are licensed with BCCP.

Office of Maine's Attorney General

The Office of the Attorney General, represents BCCP in administering hearings and pursuing litigation, and assists in drafting and reviewing enforcement documents and rules. In addition, the AG's Office refers consumer complaints to BCCP that involve companies subject to BCCP's jurisdiction, while BCCP refers matters involving non-credit related, violations of the Unfair Trade Practices laws to the AG's Office.

Federal Regulators

BCCP is party to Memoranda of Understanding (MOUs) with the following entities:

- The Office of Foreign Assets Control (OFAC);
- The Financial Crimes Enforcement Network (FinCEN);
- The Internal Revenue Service (IRS);
- The Consumer Financial Protection Bureau (CFPB);
- The Office of the Comptroller of the Currency (OCC);
- The Federal Trade Commission (FTC);
- The Conference of State Bank Supervisors (CSBS);

BCCP's MOU with the CFPB allows for sharing of specific consumer complaint data. It also allows BCCP to refer complaints against federally regulated entities to the CFPB through a regulator interface, which in turn allows BCCP to track complaints on behalf of Maine consumers as they are processed by federal regulators. BCCP also regularly conducts compliance examinations in tandem with examiners from the CFPB.

Regulatory Associations

In addition to collaborating with the agencies and associations already noted, BCCP is an active member of several national regulatory associations, including:

- The National Association of Consumer Credit Administrators (NACCA)
- The North American Collection Agency Regulatory Association (NACARA)
- The American Association of Residential Mortgage Regulators (AARMR)
- The American Conference of Uniform Consumer Credit Code States (ACUCCCS)

- The Money Transmitters Regulatory Association (MTRA)

In 2023, BCCP signed the Nationwide Cooperative agreement for MSB Supervision and Protocol for Performing Multi-State Examinations. “Money Services Businesses” (MSBs) means four types of financial service providers: (1) currency dealers or exchangers, (2) issuers of traveler’s checks, money orders, prepaid access and/or stored value, (3) sellers or redeemers of traveler’s checks, money orders, prepaid access and/or stored value and (4) money transmitters.

H. Constituencies

The BCCP’s primary constituency is Maine consumers and the Maine economy. The availability of credit at a reasonable price and on fair terms is essential to the well-being of consumers and of commerce.

I. Alternative Delivery Systems

BCCP has completed rulemaking that allows the agency to transition registration of most entities regulated by the Bureau to a multi-state system administered by the Nationwide Multistate Licensing System (NMLS). BCCP is now in the implementation stage and intends to have the transition completed this year. Currently only mortgage companies and money transmitters have this option. This is important because it makes it easier for businesses that operate in many states and are looking for uniformity. Congress created the NMLS and charged the CSBS with administering it on behalf of state regulators as part of the SAFE Act.

BCCP strives to provide appropriate compliance examinations for companies located a substantial distance from Maine or that have a limited volume of Maine business. For several years, the proportion of compliance examinations conducted at BCCP’s offices, rather than at the creditor’s location, has increased steadily, driven, in part, by an increase in the number of licensees and registrants located out-of-state. In-office compliance examinations represent savings and efficiencies for licensees and BCCP staff. As of FY2023, approximately two thirds of BCCP compliance examinations were conducted off-site.

In 2022, BCCP began conducting pilot examinations through the State Examination System (SES). The SES is a secure online platform developed by the CSBS that manages the end-to-end workflow for compliance examinations, investigations, enforcement, and other supervisory activities. Use of the SES for examinations helps facilitate regulatory consistency across states. The SES also provides efficiencies for examinees, including the ability to securely respond to regulators and upload appropriate examination documentation, and the ability to view and track a company’s supervisory activities (including examinations, investigations, and complaints) across states through one system.

As always consumers can reach BCCP online, by phone or through the U.S. Mail.

J. Emerging Issues

After 35 years of consistent leadership, the long serving Superintendent retired. A new Superintendent was sworn in in May of 2023. The new administration is interested in evaluating all current programs, placing the focus on BCCP's core consumer credit mission, and collaborating with other state and federal regulators.

In furtherance of those goals, BCCP's top priority is the passage of the Model Money Transmitter and Crypto Currency Act. BCCP submitted this model bill as a DPFRR department bill to be considered in the second session of the 131st legislature and is hopeful that it will be enacted by the 131st legislature in 2024.

In 2023, BCCP transitioned the administration of the federally funded Maine Homeowner's Assistance Fund (HAF) to MaineHousing. The HAF is funded with \$50 million from federal pandemic relief funds to support homeowners who suffered financial hardship, loss of income or increased expenses after January 21, 2020, associated with the COVID-19 pandemic. MaineHousing is the more appropriate agency to administer housing grants.

K. Information Specifically Requested by Committee

None.

L. Comparison of Related Federal Laws and Regulations

The Maine Consumer Credit Code incorporates the federal Truth-in-Lending, Real Estate Settlement Procedures Acts, and provisions of the Gramm-Leach-Bliley Act, in addition to providing many additional protections for Maine consumers. These requirements - including treatment of high-rate, high-fee mortgage loans - mirror and supplement rules at the federal level.

The Maine Fair Debt Collection Practices act mirrors the federal law, but with additional state-level protections for consumers. Unlike the Federal law, Maine's Fair Debt Collection Practices Act also explicitly applies to conduct by repossession agencies and residential real estate property preservation providers.

Maine Fair Credit Reporting Act incorporates the federal law, supplementing it with additional protections and consumer remedies.

M. Collecting, Managing and Using Personal Information

BCCP receives personal information via several programs it administers, including investigating consumer complaints, processing business license applications, conducting compliance examinations, and Maine's foreclosure referral program. All personal information that BCCP receives is confidential,

pursuant to section 6-116 of the Maine Consumer Credit Code (Title 9-A, Maine Revised Statutes.)

To the extent these capabilities are provided by Maine's Office of Information Technology (OIT), BCCP utilizes secure e-mail whenever sending data out through the State system. Additionally, consumers submitting personal information via the internet can do so utilizing secure e-mail to ensure that confidentiality is not compromised.

BCCP complies with State retention policies and destroys records accordingly. Further, all documents discarded by BCCP employees are shredded.

The Department's policy available in Attachment G.

N. List of Reports, Applications and Other Paperwork

BCCP's list of reports and applications is found in Attachment B.

O. List of Reports Required by the Legislature

BCCP's list of reports to the Legislature is found in Attachment B.

P. List of Organizational Units and Programs

BCCP's organizational chart is found in Attachment B.

Q. Statutory Provisions Requiring Legislative Review

None

BUREAU OF FINANCIAL INSTITUTIONS

A. Enabling or Authorizing Law

The Bureau of Financial Institutions (BFI) is authorized through 9-B M.R.S. §111 and §121; and 9-A M.R.S. §1-301(2).

B. Description of Programs

BFI supervises all state-chartered financial institutions including banks, credit unions, and non-depository trust companies. BFI's mission is to maintain and promote safe and sound financial practices; ensure the strength, stability, and efficiency of all financial institutions; ensure reasonable and orderly competition, thereby encouraging the development and expansion of financial services advantageous to the public welfare; and to maintain close cooperation with other supervisory authorities.

In cases in which a financial institution is a creditor, BFI is the administrator of Title 9-A, the Maine Consumer Credit Code. Pursuant to this authority, BFI supervises financial institutions in such a way as to protect consumers against unfair practices by financial institutions that provide consumer credit, to provide consumer education and to encourage the development of economically sound credit practices.

The following programs are administered by BFI with equal priority:

- Safety and soundness examinations of Maine financial institutions (state-chartered banks, credit unions and non-depository trust companies). Exam teams visit Maine financial institutions to analyze and rate capital, asset quality, management, earnings and liquidity. Examinations also include evaluation of anti-money laundering (Bank Secrecy Act) efforts and information technology. As a result of the COVID-19 pandemic in March 2020, examinations of state-chartered financial institutions were conducted virtually until April of 2022; current examinations now feature a mix of onsite and virtual examinations.
- Compliance examination of Maine financial institutions, including evaluation of compliance with the Maine Consumer Credit Code and

Maine's Truth-in-Lending Act. BFI also reviews advertising; credit reporting; deposit account disclosures; third party broker arrangements; funds availability policies; and privacy of consumer information.

- Application review, including review of applications for financial institution charters, corporate changes, expansions, mergers, acquisitions, conversions, branches, and modifications to credit union fields of membership.
- Consumer dispute mediation, education and outreach, including investigation of complaints involving improper financial institution conduct. BFI's Consumer Outreach Program has a designated Consumer Outreach Specialist available to answer questions related to the business of financial institutions, mediate complaints, and engage in off-site training programs. Additionally, BFI has educational materials available on its website covering financial laws and regulations, ID theft, credit reports, consumer scams, and money management best practices.
- Administration of the Maine Banking Code, including industry support and guidance on application of Code, issuance of advisory opinions, and efforts to modernize and streamline law and regulations. Activities also include in-office financial data collection and research and analysis of the condition and activities of Maine financial institutions. BFI also participates in the legislative process, either with its own initiatives, or in response to requests for information by legislative committees on other initiatives related to financial institutions, consumer lending, or data breaches.
- Enforcement activities including issuance of cease-and-desist orders due to unsafe or unsound practices by financial institutions, violations of laws or breach of other conditions imposed on financial institutions by the Superintendent.

The Bureau measures its performance through the completion of its responsibilities within the statutory timelines required for examinations and application processing. Pursuant to § 221 of Title 9-B, the Maine Banking Code, the Superintendent must examine each financial institution organized under Maine law at least once every 36 months or more frequently as the Superintendent deems necessary. These examinations are often scheduled in conjunction with federal regulators in order to maximize regulatory resources and minimize industry disruption. In the past five years BFI conducted 73 safety and soundness exams and 282 specialty exams (compliance, IT, Trust, Bank Secrecy Act, Payroll Processor, and visitations). BFI continues to meet its examination and application review responsibilities and generally resolves consumer complaints within 1-4 days.

C. Organizational Structure

BFI is headed by a Superintendent and presently has 18 authorized positions. BFI is divided into two functional groups: an Examination and Supervision Division and a Research, Administration & Legal Affairs Division.

The BFI's organizational chart is found in Attachment C.

D. Repealed, P.L. 2013 c. 307

E. Financial Summary

BFI's financial summary is found in Attachment C

F. Repealed, P.L. 2013 c. 307

G. Areas of Coordination with Other State and Federal Agencies

Department of the Secretary of State

BFI provides notice to the Department of the Secretary of State when approving new bank charters, mergers, or acquisitions. BFI works with applicants to ensure that related corporate filings are complete and filed in a timely manner. BFI also coordinates with the Department of the Secretary of State to ensure compliance with "restricted terms" provisions of the Banking Code. In order for entities to use certain terms, such as "bank," "savings," "trust," and derivatives thereof in corporate documents, prior approval from BFI is required unless the applicant is a chartered financial institution.

Office of the State Treasurer

BFI works with the Abandoned Property Division of the Office of the State Treasurer to administer Maine law requiring that unclaimed property held by financial institutions be escheated to the State. BFI performs periodic on-site examinations of state-chartered financial institutions to ensure compliance.

Office of the Attorney General

The Office of the Attorney General represents BFI in administrative hearings or other litigation proceedings. The Office of the Attorney General also assists BFI in drafting and reviewing enforcement actions and rules. BFI may refer complaints of suspected criminal activities, fraud, and unlicensed activity to the Office of the Attorney General and work in cooperation with assistant attorneys general during the investigative phases of these matters and in matters related to consumer complaints.

Federal Agencies and National Associations

BFI coordinates policy, examination, applications, and safety and soundness issues with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Federal Reserve Bank of Boston, the Federal Reserve Board, and the National Credit Union Administration. BFI has entered into a Memorandum of Understanding with the Consumer Financial Protection Bureau to share information relating to complaints made to BFI regarding nationally-chartered financial institutions. Utilizing a regulator interface, the Bureau is able to track complaints as they progress through federal agencies to further assist consumers during this process.

H. Constituencies

BFI's primary constituencies are Maine's consumers and the 40 state-chartered financial institutions (17 banks, 12 credit unions, 10 trust companies and 1 merchant bank) with assets totaling approximately \$33.1 billion as of June 30, 2022. Due to interstate banking/branching, the universal bank charter and "niche" banks, bank assets under supervision continue to evolve. The BFI has received and considered several applications that include applications to form new non-depository trust companies, merge financial institutions, acquire control of Maine financial institutions and their holding companies, and expand credit union fields of membership.

I. Alternative Delivery Systems

BFI has implemented the initiatives outlined below in an effort to enhance cost-effective regulation of state-chartered financial institutions:

- Divided examination programs - alternating on-site examinations with the appropriate federal agency;
- Continued use of joint examinations - alternating on-site examinations with two or more regulatory agencies, producing one report;
- Continued use of an off-site examination components - initial preparatory and/or analytical work of an examination is often conducted off-site; and
- Scheduling of examinations based upon asset size and condition - financial institutions under \$500 million in assets and with an examination rating of 1 or 2 may have examination frequency expanded to once every 18 months.

BFI has also entered into cooperative examination and information-sharing agreements with other state and federal regulatory agencies. This provides for comprehensive oversight of banks with minimum expenditure of state resources and enhances the delivery of quality services to Maine people and businesses.

Regarding services for consumers, BFI employs a full range of delivery methods. BFI's website (www.maine.gov/pfr/financialinstitutions/) provides access to consumer protection services and hosts educational materials relating to financial management, security, and fraud prevention. The BFI also employs a Consumer Outreach Specialist to help resolve consumer complaints, answer questions, and conduct educational outreach seminars.

BFI requires a well-trained staff of specialized bank examiners and other professional personnel to fulfill its statutory duties. The agency provides continuing education for staff so that members stay well-informed of a challenging and ever-changing regulatory landscape. BFI continues to experiment with on-site training and education in an effort to save on educational costs by utilizing online training materials and by bringing educators to BFI offices to conduct pertinent banking seminars.

J. Emerging Issues.

Pandemic Response

As a result of the COVID-19 pandemic, BFI shifted most of its staff and examination responsibilities to a remote environment beginning in March of 2020. Around that time, BFI developed and published several guidance documents and press releases for consumers warning them of scams involving economic stimulus payments authorized under the Federal CARES Act, IRS scams, and fraudulent activity concerning unemployment insurance. Further, BFI provided guidance to financial institutions on the administration of lender assistance programs, including the Paycheck Protection Program. Recognizing the economic uncertainty faced by consumers and financial institutions alike, BFI also encouraged financial institutions to work with impacted consumers and seek out alternatives to assist distressed borrowers.

Cyber Security and Data Breaches

BFI monitors data breaches impacting both state-chartered financial institutions and the larger national financial system. Pursuant to the Maine Risk of Notice to Personal Data Act, financial institutions that experienced a breach must notify BFI of the breach as expeditiously as possible and without unreasonable delay.

BFI maintains memberships in various financial institution regulatory organizations and trade associations, including the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS). Members in those organizations often discuss large scale data breaches and appropriate response measures from state regulators, often coordinating subsequent responses and actions. BFI reaches out to its financial institutions and encourages them to review and identify system vulnerabilities when it learns of new risks to the financial system.

Cryptocurrency

Financial institutions in recent years have had to consider the impacts of cryptocurrencies and stablecoins, and have had to weigh whether or not to enter into the sector. BFI seeks out trainings for its staff to better understand the issues presented by cryptocurrencies. Federal regulatory agencies continue to take a cautionary approach to cryptocurrencies and have yet to issue examination guidance for financial institutions holding cryptocurrencies.

K. Information Specifically Requested by Committee

None requested.

L. Comparison of Related Federal Laws and Regulations

In an effort to maintain competitive equality and an even playing field between state and federally chartered institutions, there are numerous state banking laws that are similar to federal banking laws. For example, in 2011 Maine passed the Act to Amend the Maine Consumer Credit Code to Conform with Federal Law. This Act aligned Maine Truth-in-Lending provisions with significant new consumer protections enacted under federal law as part of the Dodd-Frank Act. Maine has taken significant steps to prevent predatory lending since the 2008 Recession and continues to maintain consumer protection provisions that exceed federal standards.

M. Collecting, Managing and Using Personal Information

BFI receives personal information via two of the programs it administers: investigating complaints and considering applications. All personal information BFI receives is confidential, pursuant to § 226 of the Maine Banking Code, and violation of this confidentiality provision may result in criminal penalties. The only personal information BFI receives is provided either voluntarily by the complainant or by persons applying for a charter or change of ownership.

BFI's staff uses encrypted e-mail whenever confidential messages are sent through the State system. Additionally, those consumers submitting personal information to the BFI Bureau via the Internet have the choice of doing so via an encrypted online portal to ensure confidentiality. Furthermore, the exchange of other confidential bank information with federal regulators is via secure systems.

BFI complies with state retention policies and destroys records accordingly. Further, all documents discarded by Department employees, including those within BFI, are shredded.

BFI has adopted policies and procedures designed to enhance the security of electronic messaging and electronic data in its possession. All laptop computers have encrypted hard drives. BFI has implemented an "Examination Information and Laptop Security Policy" designed primarily for field examiners but applies to

all BFI employees assigned a laptop computer. This policy provides for the technical security of information stored on laptops, the physical security of laptops, and other measures, including the retention of data on laptop computers and security incident reporting.

The Department’s policy available in Attachment G.

N. List of Reports, Applications and Other Paperwork

BFI follows Security Incident Reporting procedures in the event a laptop computer, media device, or non-electronic information is lost or stolen. If data is lost, the affected examiner notifies the Deputy Superintendent of Examination and Supervision of the loss, alerts local law enforcement if theft is suspected, and later provides the Deputy with a summary of the incident.

Bureau of Financial Institutions Reports (as of September 2022):

Report	Statutory Requirement	Date Adopted	Frequency	Number Filed	Number Filings Anticipated	Reduction Planned
Assessment	9-B MRS §214	Included in 1975 Recodification. Last amended 2003.	Quarterly	38	38	None.
Condition and Income Report	9-B MRS §222(3)	Included in 1975 recodification. Last amended 2009.	Quarterly	39	39	None.
Maine Interstate Report	9-B MRS §222(1)	1985 (Est.). Last amended 1995.	Semi-Annually	15	15	None.
Initial Notification	9-A MRS §6-202	1996. Last amended 2021.	Upon commencement of business activity in Maine.	6	5	None.
Annual Notification	9-A MRS §6-202	1996. Last amended 2021.	Annually	107	107	None.
Officer’s Questionnaire	9-B MRS §222(3)	1978 (Est.). Last amended 2009.	Annually	39	39	None.
Changes in Capital	9-B MRS §222(3)	1990. Last amended 2009.	Semi-Annually	12	12	None.
Restricted Terms Filing	9-B MRSA §241(9)	Included in 1975 recodification. Last amended 2001,	Upon commencement of business activity in Maine.	12	12	None.

Bureau of Financial Institutions' Applications: All application requirements are reviewed periodically to minimize burden on regulated entities and for consistency with federal filing requirements. Many applications have been reduced to notification if applicant meets certain criteria.

Applications *	Statute	#A	#E
Establish new bank	Chapters 31, 32	0	0
Establish, relocate, close branch	Chapter 33	13	12
Federal to state charter conversion	Chapter 34	0	0
Convert mutual to stock	Chapter 34	0	0
Merge with another FI	Chapter 35	0	1
Establish subsidiary	Chapter 44	1	2
Holding company acquisition	Chapter 101	1	1
Change in ownership	Chapter 101	1	1
Mutual holding company reorg	Chapter 105	0	1
Credit Unions			
Establish credit union	Chapter 81	0	0
Establish, relocate, close branch	Chapter 82	5	5
Federal to state charter conversion	Chapter 87	0	0
Merge with another CU	Chapter 87	1	1

* Applications are only filed when an institution initiates the proposed activity

#A applications filed between 7/1/21 and 6/30/23

#E applications anticipated between 7/1/23 and 6/30/25

O. List of Reports Required by the Legislature

BFI, pursuant to §217 of the Maine Banking Code, is required to file annually with the Joint Standing Committee on Health Coverage, Insurance, and Financial Services the Annual Report from the Superintendent of the Bureau of Financial Institutions to the Maine Legislature. This report is due on January 15th of each year, and includes detailed information on the number, types, and legal structures of all regulated financial institutions in the State, the locations of all offices, and total deposits held by these institutions.

P. List of Organizational Units and Programs

See Attachment C for the Organizational Chart and see program list reiterated in Bureau of Financial Institutions Section B above.

Q. Statutory Provisions Requiring Legislative Review

In the case where a financial institution is a creditor, BFI is the administrator of Title 9-A, the Maine Consumer Credit Code. Under that Title, the agency is charged with enforcing Article 8-A, the Maine Truth-in-Lending (TILA) statute, which both incorporates by reference federal TILA standards and provides the administrator rulemaking authority to create regulations substantially similar to or more protective than federal TILA regulations. At this time, adequate rulemaking authority exists in statute to allow BFI to stay current with federal truth-in-lending laws.

BUREAU OF INSURANCE

A. Enabling or Authorizing Law

The Superintendent of Insurance enforces the provisions of and executes the duties of the Superintendent as set forth in the Maine Insurance Code (24-A M.R.S.A.) and has such additional duties and rights as set forth in other Titles, including in particular Title 24 (oversight of nonprofit health plans) and Title 39-A (oversight of individual and group workers' compensation self-insurers).

The primary responsibility of the Bureau of Insurance (BOI) is to regulate insurance companies and insurance professionals in the public interest. To that end, the BOI has the authority to license the following entities to operate in the State of Maine:

- Insurance companies
- Nonprofit hospital and medical service plans
- Nonprofit health care plans
- Health maintenance organizations (HMOs)
- Medical utilization review entities
- Third party administrators (TPAs)
- Workers' compensation self-insurers
- Advisory organizations
- Reinsurance intermediaries
- Special purpose reinsurance vehicles
- Insurance producers, agencies, adjusters, and consultants
- Continuing care retirement communities (CCRCs)
- Multiple employer welfare arrangements (MEWAs)
- Captive insurers
- Viatical and life settlement companies
- Certified reinsurers
- Pharmacy benefit managers

- Business Entities, including Adjusters, Agencies, Consulting Firms, Equipment Rental Companies, Limited Lines Self-Storage Provider, Motor Vehicle Rental Companies, Portable Electronic Device Vendors, Structured Settlement Transferees, Supervising Travel Insurance Producers.

The BOI also registers the following entities:

- Preferred provider arrangements
- Risk purchasing groups
- Foreign risk retention groups
- Managing general agents
- Portable electronic device insurance vendors
- Service contract providers/administrators
- Structured settlement transferees
- Accredited reinsurers
- Certified reinsurers
- Reciprocal jurisdiction reinsurers
- Surplus lines companies [added]
- Workers' compensation fronting companies
- Adjusters
- Producers
- Consultants
- Navigators

The BOI also maintains a list of insurance companies that are not licensed or registered in Maine but have been approved/authorized to act as reinsurers for Maine domestic companies.

Other duties and responsibilities include the examination of insurers domiciled in Maine and some degree of oversight of foreign and alien insurers, the approval of all policies and contract forms used by insurers in the State, and the review of "qualified health plans" (QHPs) offered in Maine under federal law.

Legislative History

The first Maine State Bank and Insurance Examiner was appointed in 1868 and charged with examining both banks and insurance companies annually. In 1870, the two offices were made independent of each other, and the Office of the Insurance Commissioner was established. The Office of the Insurance Commissioner became the Department of Insurance in 1959. When state government was substantially reorganized in 1973, the Insurance Department became the Bureau of Insurance and was placed within the Department of Professional and Financial Regulation.

Federal Mandates

The Violent Crime Control and Law Enforcement Act of 1994 requires state insurance regulators to consider requests for waivers of the federal prohibition against employment within the insurance industry, in any capacity, of persons convicted of felonies involving dishonesty or breach of trust (18 U.S. Code §1033).

The Gramm-Leach-Bliley Act (GLBA) requires the states to establish uniform and/or reciprocal licensing standards with respect to licensing of insurance producers. The Health Insurance Portability and Availability Act (HIPAA) establishes requirements for the states with respect to guaranteed renewability of health insurance, guaranteed issue for small groups, portability, and some mandated benefits. The Affordable Care Act (ACA) expanded the requirements established by HIPAA and established a framework for the sale and oversight of qualified health plans (QHPs). Federal law imposes a specific regulatory scheme for Medicare supplement insurance policies upon the states, and also imposes standards for long-term care policies, in particular those offered through the Long-Term Care Partnership program. The Dodd-Frank Act established uniform federal standards in areas relating to reinsurance, nonadmitted insurance and premium taxation, and annuity suitability. The No Surprises Act sets default standards and processes for billing disputes in the event that state law standards are either insufficient or inapplicable. It provides broader procedures and restrictions for patient consent to out-of-network cost sharing, and broader protections for uninsured patients. It also applies to air ambulance services.

B. Description of Programs

The principal programs administered by the BOI are described below in terms of activities carried out by each work unit.

Financial Examination

The Financial Examination Division conducts detailed risk-focused financial examinations of insurers domiciled in the State of Maine every three to five years. Examinations of multi-state insurance groups are coordinated with other state insurance departments to gain efficiencies. The work unit also occasionally conducts examinations of other entities, such as guarantee associations. The work unit currently consists of a Director, Examiners-in-Charge, and examiners. Contract examination firms are also utilized as needed. Exam reports issued for domestic insurers can be found on the Bureau website at www.maine.gov/insurance under Bureau Reports. Financial statements for Maine-licensed insurers and HMOs may also be accessed on the website from the same link.

Recent exams conducted by the Financial Examination work unit:

Company	Report Issued
Patriot Insurance Company	April 7, 2021
Maine Dental Service Corporation (d/b/a Delta Dental Plan of Maine)	June 17, 2021
State Mutual Insurance Company	June 17, 2021
Patrons Oxford Insurance Company	June 29, 2021
Great Falls Insurance Company	June 30, 2021
Casco Indemnity Company	June 7, 2022
MMG Insurance Company	June 27, 2022
Aetna Health, Inc. (a Maine Corporation)	June 30, 2022
Maine Employers' Mutual Insurance Company	July 29, 2022
Medical Mutual Insurance Company of Maine	June 27, 2023
Maine Community Health Options (d/b/a Community Health Options)	August 3, 2023

The schedule of financial examinations in 2023:

Company	Financial Period Ending
Anthem Health Plans of Maine, Inc.	December 31, 2022
AMH Health, LLC	December 31, 2022
AMH Health Plans of Maine, Inc.	December 31, 2022
Martin's Point Generations Advantage, Inc.	December 31, 2022
Wellcare of Maine, Inc.	December 31, 2022

Financial Analysis Division

The Financial Analysis Division is responsible for the financial regulation of domestic and foreign insurance companies, captive risk retention groups, health maintenance organizations, and surplus lines companies. The responsibilities include ongoing financial review of domestic companies; review of applications for licensure and surplus lines eligibility; review of amendments to certificates of authority, mergers, change of control, redomestications, and name changes. The Division is also responsible for regulating managing general agents, third party

administrators, risk retention groups, risk purchasing groups, reinsurance intermediaries, service contract providers, and approved reinsurers in Maine.

Number of Insurance Companies Licensed in Maine:

Company Type	2018	2019	2020	2021	2022
Property and Casualty Companies	713	721	736	747	757
Life & Health and HMOs	348	346	345	349	354
Fraternal Companies	12	12	12	13	13
Surplus Lines Companies	170	176	193	210	221
Private Purchasing Alliance	1	1	1	1	1
Multiple Employer Welfare Arrangement (MEWA)	3	4	4	4	4
Captive	3	3	3	3	3
Risk Retention Groups	74	74	79	82	88
Non-Profit	2	2	2	2	2
Fire Assessment Company	3	3	3	3	3
Total	1329	1,342	1,378	1,414	1,446

Non-Maine Health Maintenance Organizations 2022 (Maine only premiums)

HMOs (State of Domicile)	12/31/21 Premium	12/31/21 Assets
Arcadian Health Plan, Inc. (WA)	\$103,725,592	\$1,848,763,682
Empire Healthchoice HMO Inc. (NY)	-\$12,528	\$373,230,702
Harvard Pilgrim Health Care, Inc. (MA)	\$400,310,467	\$1,103,376,076
Meridian Health Plan of Michigan, Inc. (MI)	No Data Available	\$938,364,041
UnitedHealthcare of New England, Inc. (RI)	\$991,193	\$450,640,552
UnitedHealthcare of Wisconsin, Inc. (WI)	\$0	\$3,463,943,880
Total	\$505,014,724	\$8,178,318,933

Domestic Insurance Companies (Domiciled in Maine)

Maine Domestic	12/31/22 Premium ³	12/31/22 Assets
Aetna Health Inc.	\$161,552,592	\$60,706,864
AMH Health, LLC	\$224,429,321	\$96,659,501
AMH Health Plans of Maine, Inc.	\$7,215,394	\$7,135,571
Anthem Health Plans of Maine Inc.	\$1,209,200,904	\$740,507,952
Casco Indemnity Company	\$3,750,831	\$44,946,005
Great Falls Insurance Company	\$0	\$7,126,543
Maine Community Health Options	\$206,176,600	\$165,982,001
Maine Dental Service Corp	\$73,575,395	\$75,607,231
Maine Employers' Mutual Insurance Company	\$183,861,568	\$1,079,651,786
Martin's Point Generations Advantage, Inc.	\$657,548,288	\$195,190,287
Medical Mutual Insurance Company of Maine	\$36,704,696	\$390,723,739
MMG Insurance Company	\$103,094,186	\$365,419,712
Patriot Insurance Company	\$32,390,264	\$170,598,802
Patrons Oxford Insurance Company	\$52,127,352	\$27,756,542
Starmount Life Insurance Company	\$276,837,443	\$141,331,112
State Mutual Insurance Company	\$1,505,486	\$15,413,960
Taro Health Plan of Maine, Inc.	\$0	\$4,535,508
UNUM Insurance Company	\$218,544,028	\$131,899,721
UNUM Life Insurance Company of America	\$5,150,015,939	\$23,581,991,469
Wellcare of Maine, Inc.	\$123,442,084	\$52,704,169
Total	\$8,721,972,371	\$27,355,888,475.00

³ Year-end direct written premium totals are reported on a **national** basis.

New Company Licenses Issued in 2022 (43 Total)

Life and Health Insurance Companies	
AMFIRST INSURANCE COMPANY	WILLIAM PENN LIFE INSURANCE COMPANY OF NEW YORK
EMPHEYSYS INSURANCE COMPANY	WILTON REASSURANCE COMPANY
PAN-AMERICAN LIFE INSURANCE COMPANY	
Property and Casualty Insurance Companies	
AGENTS NATIONAL TITLE INSURANCE COMPANY	INTREPID CASUALTY COMPANY
ARI INSURANCE COMPANY	MONROE GUARANTY INSURANCE COMPANY
BITCO NATIONAL INSURANCE COMPANY	NATIONAL TRUST INSURANCE COMPANY
CRUM AND FORSTER INSURANCE COMPANY	NORMANDY INSURANCE COMPANY
FCCI INSURANCE COMPANY	PRESCIENT NATIONAL INSURANCE COMPANY
FRANK WINSTON CRUM INSURANCE COMPANY	SERVICE LLOYDS INSURANCE COMPANY, A STOCK COMPANY
GRAIN DEALERS MUTUAL INSURANCE COMPANY	
Risk Retention Groups	
BIHAR RISK RETENTION GROUP INC	NLADA MUTUAL INSURANCE CO. A RISK RETENTION GROUP
CLINICIAN ASSURANCE INC., A RISK RETENTION GROUP	NOTTING HILL RISK RETENTION GROUP, LLC
GLADIUS INSURANCE RISK RETENTION GROUP, INC.	PROASSURANCE AMERICAN MUTUAL, A RISK RETENTION GROUP
GOVERNMENT TECHNOLOGY INSURANCE COMPANY RISK RETENTION GROUP, INC.	SECURENT RISK RETENTION GROUP, INC.
HEALTHCARE PROFESSIONAL LONG TERM CARE RISK RETENTION GROUP, INC.	

Eligible Surplus Lines Insurance Companies	
ARDELLIS INSURANCE LTD.	HARLEYSVILLE INSURANCE COMPANY OF NEW YORK
BENCHMARK SPECIALTY INSURANCE COMPANY	INTREPID SPECIALTY INSURANCE COMPANY
BRICKTOWN SPECIALTY INSURANCE COMPANY	RICHMOND NATIONAL INSURANCE COMPANY
CHAMPLAIN SPECIALTY INSURANCE COMPANY	SOUTHLAKE SPECIALTY INSURANCE COMPANY
CONCERT SPECIALTY INSURANCE COMPANY	SPINNAKER SPECIALTY INSURANCE COMPANY
CONCORD SPECIALTY INSURANCE COMPANY	UPLAND SPECIALTY INSURANCE COMPANY
FIREMAN'S FUND INDEMNITY CORPORATION	W. R. BERKLEY EUROPE AG
HAMILTON SELECT INSURANCE INC.	
Health Maintenance Organizations	
TARO HEALTH PLAN OF MAINE, INC.	

Alternative Risk Markets

The Alternative Risk Markets Unit reviews and evaluates initial applications for the following lines of authority:

- workers' compensation self-insurance
- captive insurance companies
- continuing care retirement communities
- multiple employer welfare arrangements

Initial applicants submit financial and operational information. Analysts review the information and make authorization recommendations based on financial strength and other considerations.

The work unit performs detailed annual reviews of renewing individual self-insurers and group self-insurers. Self-insurance authority is renewed annually, based upon annual review results. Nonrenewal, although infrequent, is usually based upon deteriorated financial condition.

Alternative Risk Entities	2018	2019	2020	2021	2022
Individual Workers' Comp Self-Insurers	58	57	57	55	53
Group Workers' Comp Self Insurers *	18	18	18	18	18
Captives	2	3	3	3	3
Multiple Employer Welfare Arrangements	3	4	4	4	4
Continuing Care Retirement Communities	3	2	2	2	2

*As of July 29, 2023, these groups represent 1,173 employers.

Producer Licensing

The Producer Licensing Work Unit is responsible for review and approval of applications to license individual insurance producers (agents and brokers), consultants, adjusters, and various business entities. This includes determining if eligibility requirements have been met and verifying that no statutory preclusions exist. Unit responsibilities also include approval of continuing education courses submitted by education providers and monitoring completion of the education requirement of roughly 7,745 insurance professionals. Maine law requires resident producers and resident consultants to complete 24 hours of continuing education every 2 years. Nonresident producers must meet continuing education requirements in their resident state. Electronic processing of producer appointments, appointment terminations, and non-resident license applications, as well as participation in the national producer database, has made the licensing process more efficient, timely and uniform.

Number of New Individual Licenses, 2022

	Producers	Consultants	Adjusters	Totals
Resident	697	2	70	769
Non-Resident	26,875	3	5,142	32,020
Total	27,572	5	5,212	32,789

NUMBER OF NEW BUSINESS ENTITY LICENSES, 2022

	Producer BE	Consulting Firm	Adjusting Firm	Totals
Resident	37	1	2	40
Non-Resident	881	2	32	915
Total	918	3	34	955

Number of Active Individual Licenses, 2022 (as of 12/31/2022)

	Producers	Consultants	Adjusters	Totals
Resident	7,712	33	688	8,433
Non-Resident	216,617	10	19,341	235,968
Total	224,329	43	20,029	244,401

Number of Active Business Entity Licenses, 2022 (as of 12/31/2022)

	Producer BE	Consulting Firm	Adjusting Firm	Totals
Resident	824	3	23	850
Non-Resident	7,618	5	288	7,911
Total	8,442	8	311	8,761

Consumer Health Care Division

The Consumer Health Care Division (CHCD) offers services to consumers related to health, life, long-term care, disability insurance and annuities. Some of these services include providing information about plan options; helping enrollees understand their rights and responsibilities under insured plans; assisting enrollees with complaints related to their plans; and promoting coordination between the BOI and other organizations that aid consumers.

The CHCD is also responsible for review and approval of annuity, life, long-term care, Medicare Supplement, health, and disability insurance policy forms to ensure plan compliance with Maine law. Forms (policy contracts, Summary of Benefits, marketing materials, etc.) are received through the System for Electronic Rate and Form Filings, or SERFF (see "Product Filings" under Section G of this report).

Consumer Appeals: The BOI ensures that insurance carriers provide consumers with information about their appeal rights. Maine law requires health insurance carriers to offer consumers two levels of internal appeals. The appeals process is separate from the BOI's complaint investigation, and consumers may proceed with both processes simultaneously.

Health Insurance Independent External Review: After proceeding through at least one of two levels of their insurance carrier's internal appeals processes, consumers have the right to request an independent external review for denials involving medical necessity, pre-existing conditions, experimental treatments, and denials based on disputes in diagnosis, care, or treatment. CHCD contracts with three independent External Review Organization (EROs) and randomly assigns each review to one of the EROs to conduct an independent clinical peer review of the case. The insurance carrier pays for the external review. The decision is binding only on the carrier; the consumer can pursue private legal action as an additional remedy. In 2022, the BOI received 50 qualified requests for external review. (Self-funded employers and "multistate" Qualified Health Plans--QHPs--are subject to a separate external review program under federal guidelines.)

Long-term Care Insurance Independent External Review: Consumers have the right to external reviews of long-term care policy claim denials involving benefit triggers and certain policy limitations/exclusions that require the professional judgment of a health care professional. The BOI contracts with two EROs specifically for long-term care reviews. There was one request for external review in 2022, and the independent reviewer overturned the company's decision.

Independent Dispute Resolution: The 129th Legislature enacted 2019 P.L. Chapter 668, "An Act to Protect Consumers from Surprise Emergency Bills." The law directed the BOI to contract with an independent dispute resolution entity to preside over out-of-network emergency services billing disputes between insurance carriers, providers, and certain uninsured persons. In 2022, there were 20 requests for independent dispute resolution.

The CHCD focuses much of its efforts on analyzing the underlying issues that often give rise to consumer complaints. Identification of possible deficiencies in insurer processes provide an opportunity for the BOI to work with health plans to prevent reoccurrence of identified problems. The CHCD investigates complex complaints and speaks regularly with health care providers and the insurance carriers' staff.

CHCD TOTALS	2019	2020	2021	2022
Consumer Complaints Received	398	247	226	256
Consumer Inquiries Received	2,974	2,773	3,009	2,215
Restitution to Consumers	\$1,328,529	\$676,960	\$1,150,668	\$1,034,837
Rate and Form Filings Received	1,359	1,328	1,256	1,213

The licensing and registration activity of the division includes the following:

Medical Utilization Review (MUR): includes any program or practice by which a person -- on behalf of an insurer, nonprofit service organization, third-party administrator, or employer -- seeks to review the utilization, clinical necessity, appropriateness, or efficiency of health care services, procedures, providers, or facilities. MUR entities must be licensed in Maine to conduct utilization reviews for fully-insured plans providing coverage to Maine residents. Licenses must be renewed annually. In 2022, the Bureau received and approved 4 new license applications bringing the number of active licensed MURs to 93.

Preferred Provider Arrangements (PPAs): The CHCD reviews and registers preferred PPAs, which are contracts, agreements, or arrangements between an insurance carrier or plan administrator and a health care provider. The provider agrees to offer services to a health plan enrollee whose plan benefits include incentives to use that provider's services. In 2022 there were 64 arrangements with no new arrangements applying for registration.

Managed Care Provider Networks: Staff review managed care provider networks for compliance with accessibility standards of Maine law and regulations. Carriers must notify the CHCD when a contractual relationship between it and a group of providers dissolves. Carriers must provide consumers with adequate notice and opportunity to find alternative providers and ensure that those in a course of treatment receive continuity of care.

Pharmacy Benefits Managers (PBM): The 129th Legislature enacted 2019 P.L. 469, which requires PBMs to be licensed to do business in Maine. In February 2021, Rule 210 went into effect to govern the PBM application process. The licensing process replaced the prior requirement for PBMs to register with the BOI. In 2022, the Bureau received 8 new PBM license applications; all were approved, bringing the total to 50 licensed PBMs in Maine.

Life & Health Actuarial

The Life & Health Actuarial Work Unit provides actuarial and technical services to BOI staff on questions relating to life and health insurance. Among its responsibilities, the unit:

- Reviews and takes appropriate action on rate filings for regulated lines of insurance, primarily individual health, small group medical, credit life and health, group and individual Medicare supplement, and long-term care;
- Provides reserve analysis of life and health insurance companies as required by law;
- Offers technical assistance to insureds, consumers, state agencies, and others;
- Prepares annual reports on mandated benefits claims experience;
- Prepares “market snapshots” for the small group and individual health insurance markets;
- Maintains database of reports on small group and individual health insurance;
- Maintains database of claims paid by third-party administrators and by insurers administering employers’ self-funded health plans;
- Compiles supplemental annual reports from health insurers;
- Studies proposed mandated benefit legislation as requested by the Legislature to determine the social impact, the financial impact, and the medical efficacy of the proposed mandate;
- Estimates the impact on health insurance premiums of proposed expansions of healthcare services requiring a certificate of need (“CON”) from the Maine Department of Health and Human Services.

In accordance with Title 24-A M.R.S.A. §2837-A, §2840-A, and §2843, the Bureau is responsible for issuing an annual report to the Legislature regarding selected *Mandated Benefits*, specifically mental health, substance abuse, chiropractic, and mammography. This report compares the amount of claims paid for mandated benefits to the total amount of health claims paid. Bureau reports are available on the agency’s website at www.maine.gov/insurance under *Bureau Reports*.

Since 2014, health insurance plans offered to Maine consumers have been governed by the Patient Protection and Affordable Care Act (known as the ACA). In recent years there have been several significant actions taken by the State in regard to the Health Insurance Marketplace, as described below, involving unit staff.

Reinsurance – History and Current Status: In 2011, Maine passed the “Maine Guaranteed Access Reinsurance Association Act” as part of Public Law 2011, Chapter 90. This law established MGARA, a private nonprofit organization

responsible for operating a reinsurance program for the higher-risk segment of Maine's individual health insurance market. In 2013, the MGARA reinsurance program limited what otherwise would have been a 22 percent rate increase to only a 2 percent increase. Despite its success, this reinsurance program was suspended to avoid redundant costs to the Maine market following the creation of the parallel federal reinsurance. In 2018, Maine applied for and received approval for its current State Innovation Waiver under Section 1332 of the ACA, which allowed for reinstatement of the MGARA reinsurance program for the individual market beginning January 1, 2019. By reimbursing insurers for high-cost claims, the reinsurance program spread risk across the broader Maine health insurance market, thereby lowering gross premiums and increasing access to affordable private coverage. Since the waiver became effective, average premium rates for the individual market have moderated each year: a 1.1% increase in 2019, a 0.5% decrease in 2020, a 12.5% decrease in 2021 and a -5.4% decrease to a 1% increase in 2022.

State-Based Market Place, Merged Market and Standardized Plans: Maine Public Law 2019, Chapter 653, "An Act To Enact the Made for Maine Health Coverage Act and Improve Health Choices in Maine," provided legislative authorization for Maine's Superintendent of Insurance to adopt rules to move from a federally facilitated health insurance marketplace to a State-Based Marketplace (SBM); pool the individual and small group markets; apply for a section 1332 waiver amendment that extends the MGARA reinsurance program to this pooled market; and develop standardized plans called Clear Choice.

The SBM, at [CoverME.gov](https://www.coverme.gov), was launched in November 2021 for the 2022 plan year, the same year Clear Choice plans were first offered. The standardized plans reduce consumer confusion by offering a set number of plans that are easier to compare among the various carrier offerings. The MGARA reinsurance waiver amendment and pooled individual and small group health insurance market went into effect for the 2023 plan year. Reinsuring high-cost claims for the small group market, as well as for the individual market, spreads risk across the broader combined pool and lowers premiums for both market segments. The greater level of stability that MGARA provides to both markets is expected to encourage insurers to continue offering health insurance in Maine.

Property & Casualty

The Property & Casualty Division reviews and approves rates, rating rules, and policyforms that property and casualty insurance companies and advisory organizations file for products they intend to write in Maine. Filings are reviewed to ensure compliance with applicable Maine law. The unit also investigates consumer complaints for all lines of property and casualty insurance.

Property & Casualty Totals	2019	2020	2021	2022
Consumer Complaints Received	228	203	209	243
Consumer Inquiries Received	2,206	2,119	1,633	2,098
Restitution to Consumers	\$747,320	\$706,617	\$161,685	\$854,359
Rate and Form Filings Received	2,975	3,104	2,672	2,675

Sometimes the resolution of complaints includes conducting administrative hearings when a consumer’s automobile or homeowners’ policy is canceled or nonrenewed. When an insurance company issues a notice of cancellation or nonrenewal of a homeowner or personal auto policy, or a notice of cancellation of a commercial policy, the company is required to advise the insured that a hearing may be requested to contest the action. The hearing provides a forum to dispute the reason(s) and requires the rule whether the cancellation or nonrenewal was done in accordance with Maine law.

Hearing Results	2018	2019	2020	2021	2022
Number of Hearings Scheduled	75	65	45	55	46
Number of Decisions Issued	34	24	22	17	11
Findings for the Policyholder	12	5	4	6	9

Staff members are also responsible for processing all rate, rule and form filings presented to the BOI involving workers’ compensation insurance, self-insurance reinsurance, and occupational disability policies.

The unit responds to general inquiries regarding workers' compensation premiums and policies and handles complaints regarding workers’ compensation insurance rates, rules and policy cancellations. Complaints regarding specific workers’ compensation claims are under the jurisdiction of the Workers’ Compensation Board. If the Workers’ Compensation Board finds a pattern of abuse, however, it can refer the matter to the Bureau of Insurance.

Property & Casualty Actuarial

The Property/Casualty Actuarial Work Unit provides actuarial and technical services to BOI staff for property and casualty lines of insurance. The unit:

- Reviews rate and rating rule filings;
- Reviews and analyzes loss cost filings by industry advisory organizations that gather experience and file the advisory loss portion to be used by insurers in establishing rates and rating rules;

- Provides technical assistance to insureds, consumers, state agencies, and others;
- Reviews funding and reserves of workers' compensation self-insurance trusts;
- Provides reserve analysis of property/casualty insurance companies; and
- Provides technical assistance to the Superintendent in all aspects of casualty, property, and workers' compensation matters.

Market Conduct and Market Analysis

The NAIC established principles and goals for Market Regulation that seek to assess the quality of every insurer's conduct in the marketplace, along with uniformity and interstate collaboration. The BOI works within this framework to align its standards towards a uniform market regulatory oversight program.

The Market Conduct Unit is responsible for market conduct examinations as well as market analysis and consists of one managing examiner and two senior market conduct examiners. For examinations, this includes in-house exams performed by unit staff as well as oversight and participation in exams that have been contracted to an independent market conduct examination vendor. The process of a comprehensive market conduct exam typically focuses on the following areas: (1) company operations/management; (2) complaint handling; (3) marketing and sales; (4) producer licensing; (5) policyholder service; (6) underwriting; and (7) claims. Targeted exams may focus on fewer, select areas, or specifically on certain statutes.

The unit is statutorily required to examine health insurance carriers every five years. For the years 2023 - 2028, the BOI is required to specifically review carriers' compliance with federal and state mental health parity regulations.

At this time, the BOI is involved in several ongoing exams including both in-house and externally contracted exams as well as being a lead state in collaborative exams involving other states.

While this unit does not handle individual complaints, it does use complaint data and information to analyze licensee trends and business practices or patterns. The market analysis process designed by the NAIC also provides tools for each state to review its entire market and identify companies operating in the market that may be potentially harming consumers. This assists in determining if regulatory action is needed, and its scope.

This analysis is often a key factor in triggering investigations utilizing the NAIC's market analysis techniques or leading to selection for an examination. Once an issue is identified, the unit proceeds along the continuum of regulatory actions

to identify the cause and extent of the problem. This approach allows for more efficiency and uniformity in states' approach to regulation.

In the past few years, the Market Regulation Unit has conducted a number of market-wide reviews. Some of these are triggered by compliance issues identified through complaint analysis and are intended to ensure all carriers are in compliance with that specific requirement. Some reviews are being initiated prior to implementation of new statutes, to ensure that carriers are positioned to appropriately address the requirements from the beginning. This approach benefits carriers by providing them with guidance for compliance, and benefits consumers by reducing the possibility of inadvertent harmful non-compliance.

Market conduct examination reports can be found on the BOI's website (www.maine.gov/insurance) under "Publications." Consent Agreements relating to other disciplinary action arising from market analysis investigations can be found on the website under "Legal/Administrative Actions."

The Support Unit

The Support Work Unit provides administrative support for all functions within the BOI. Included in the administrative work are the following tasks: legislation tracking and records management, as well as invoice tracking and processing, outreach coordination, media relations.

Bureau Outreach and Publications

Staff participate in numerous outreach programs each year, to inform Maine citizens that the BOI is available to help them, and to assist them in understanding their rights and responsibilities in relation to insurance laws. Staff attend and present at different types of events, from public fairs to senior expos, continuing education sessions, and conferences. The BOI also produces and distributes a number of consumer brochures, which are available online at www.maine.gov/insurance.

C. Organizational Structure

The BOI's organizational structure is detailed in the previous section of this report. An organizational chart is found in Attachment D.

D. Repealed, P.L. 2013 c. 307

E. Financial Summary

BOI's financial summary, including sources of funding by program and the amounts allocated or appropriated and expended over the past 10 years, can be found in Attachment D.

F. Repealed, P.L. 2013 c. 307

G. Areas of Coordination with Other State and Federal Agencies

Company Licensing and Financial Regulation

- The BOI utilizes the NAIC Uniform Certificate of Authority Application (UCAA) process which is a standardized insurer licensing procedure that eliminates the need to file different applications in different formats. This allows streamlined admissions for those companies already admitted in one UCCA state, simply through the filing of an expansion application in another UCCA state. The expansion application process introduces elements of reciprocal reliance on the more detailed work of the state reviewing the complete application.
- The BOI utilizes the NAIC's I-SITE product, which allows insurers operating in multiple jurisdictions to make one electronic filing of most financial information, which is then accessible by all states.
- The BOI has entered into comprehensive information-sharing memoranda with federal financial services regulators, with other states through the NAIC and with other countries through the International Association of Insurance Supervisors, which allow regulators to share sensitive information on a confidential basis.
- Maine has enacted legislation which provides for more coordinated consideration with other states on merger and acquisition activity involving insurance holding company systems containing insurers in multiple jurisdictions.
- Maine has enacted legislation which allows the BOI to participate in supervisory colleges with respect to domestic insurers that are part of multistate or multinational insurance holding company systems.

Producer Licensing

Maine has eliminated paper Certification/Clearance Letters in favor of reliance on the NAIC State Producer Licensing Database.

Product Filings

Maine utilizes the State Electronic Rate and Form Filing (SERFF) product which allows insurers to make rate and form filing in as many states as they desire at one time electronically.

Maine is a member of the Interstate Compact for Insurance Product Regulation. Under the Compact, uniform product standards have been developed for all participating states for some lines of insurance, and a one stop filing and review process has been implemented.

Maine cooperates with the federal Center for Consumer Information and Insurance Oversight (CCIIO) to streamline the filing and review process for health carriers' product form filings under the Affordable Care Act.

Market Conduct and Enforcement

Through NAIC, Maine utilizes nationally uniform market conduct examination standards and procedures.

The BOI coordinates with other states on market conduct examinations, investigations and enforcement regarding regulated entity conduct occurring on an interstate basis.

Subsequent to the Gramm-Leach-Bliley Act (GLBA), the Bureau entered into interagency agreements with all three federal banking regulators for expeditious handling of complaints regarding insurance sales by banks in accord with functional regulation tenets of GLBA.

H. Constituencies

The BOI serves a wide variety of constituencies, including the general public, insurance consumers and consumer groups, insurance companies, self-insured businesses, producers (agents, brokers, and consultants), and insurer advisory organizations. In addition, the Bureau conducts research and analysis and provides input on insurance-related issues and legislation, on behalf of the Administration and Legislature.

I. Alternative Delivery Systems

The BOI has made extensive and effective use of newer information technologies. All of BOI's application and registration forms are available online. The BOI, through the NAIC, utilizes a national producer database that facilitates the ability of persons to become licensed in multiple states. Insurers are required to make form and rate filings electronically through the SERFF system.

The BOI's website has extensive resources, including consumer brochures, consumer complaint forms, reports and studies, a "Licensee Search" feature, information about Maine's domestic insurers, hearing decisions and consent agreements, rate calculators, and links to the Maine Insurance Code and rules.

Maine law requires that each domestic insurer's financial condition be examined by the BOI at least once every three to five years. The BOI's Examination Division makes use of contracted services to supplement in-house examination staff capability on these examinations, when necessary.

The Life and Health Actuarial Unit contracts with outside vendors to assist with producing reports to study the impact of proposed health insurance mandates

under consideration by the Health Coverage, Insurance and Financial Services Committee.

The administration of producer, consultant and adjuster licensing tests is computer-based and is performed by a private vendor. Continuing education requirements for producers are met by educational programs offered by private vendors, and recommendations for course approval are made by a private sector advisory group.

The BOI contracts with outside entities for the conduct of external review of health insurance claims denied for certain specified reasons, including lack of medical necessity, to which consumers are entitled under Maine law.

Communication with interested parties has been done through GovDelivery, an electronic subscriber system, since 2016.

J. Emerging Issues

Affordable long-term care insurance

When long-term care insurance was new, insurers made inaccurate pricing assumptions which have led to rate inadequacy. In some cases, insurers have been driven into insolvency, and other insurers are at risk. Because of the unusually long period of time over which liabilities develop, reliable prediction of the future costs of long-term care is still elusive. Regulators and public policymakers have been challenged by the need to protect existing insureds from rate increases while maintaining a market in which insurers have the financial strength necessary to provide this coverage.

Algorithms and Big Data

Algorithms and Big Data continue to be a focus at the NAIC and the BOI. Insurers have increased their reliance on Big Data and predictive models for rating insurance over recent years. The NAIC has been focusing on setting standards for governance over these models. It is important for regulators to be able to review the models and the underlying data used to create them for compliance with state laws. This ensures the models do not have prohibited variables and are not unfairly discriminatory.

Continuing globalization of markets

As U.S. insurance markets continue to become increasingly intertwined with and reliant on foreign markets, U.S. insurance regulators and public policymakers become more dependent on cooperation with foreign officials. In 2015, Maine became the eighth state to qualify to join the Multilateral Memorandum of Understanding (MMOU), a regulatory cooperation agreement established under the auspices of the International Association of Insurance Supervisors (IAIS). There are now 83 signatories, including 22 states. The MMOU creates a global

framework for cooperation and information exchange among insurance supervisors and sets minimum standards to which signatories must adhere.

Also, the National Association of Insurance Commissioners has recently developed the Certified Reinsurer program to allow the strongest international reinsurers to operate in the United States market with reduced collateral. Following the enactment of enabling legislation in 2013, the BOI has begun implementing this program in Maine. Between 2015 and 2021, the BOI has approved 8 reinsurers through the program.

The U.S. insurance regulatory system is under increasing pressure to conform more closely to the capital standards and methodologies being used in other financial sectors and other countries, particularly the European Union. The U.S. Treasury Department, the Federal Reserve System, and the IAIS are all playing strong roles in this process.

The Bureau and other U.S. insurance regulators, acting through the NAIC, are developing programs for group capital standards and group supervision, and working hard to ensure that “modernization” and “uniformity” do not get used as tools for weakening regulatory oversight.

Cybersecurity

In response to data breaches affecting all areas of the economy, state insurance regulators are developing uniform cybersecurity standards for the insurance industry. The NAIC has created a Cybersecurity Task Force to address these concerns. Maine is an active member of that Task Force. Maine’s Insurance Data Security Act (IDSA), based on an NAIC model law, became effective January 1, 2022, and the BOI launched its online Cybersecurity Event Reporting instructions and forms at that time. Bulletin 468, issued in July 2023 (and superseding Bulletin 462 issued in October 2021) provides guidance on the interaction between the IDSA and Maine’s Notice of Risk to Personal Data Act (NRPDA). Due to the complexities of cyber risk, pricing of cyber insurance for businesses is difficult. Predictive models are being used to predict risk and price this dynamic product. These models are complicated but are required to be filed with the BOI for review.

Federalism

In the United States, primary regulation of the insurance industry has always been the responsibility of the states. In 1945 Congress codified this principle in the McCarran-Ferguson Act. Nevertheless, the system of state-based insurance regulation continues to be subject to constant challenge before Congress. The Dodd-Frank Act of 2010 established the Federal Insurance Office (FIO) within the Department of the Treasury and gave it the power to enter into international agreements with limited preemptive effect. Although legislative attempts to give federal agencies the power to license insurance companies have become less active in recent years, stakeholders including FIO continue to advocate for an

increased federal role in insurance regulation, which could include renewed federal charter proposals in coming years.

Life Insurance and Annuities

As the United States pension and retirement market evolves from a system dominated by employer-sponsored defined benefit plans to one in which defined contribution plans are the norm, and employees have greater control over their retirement savings through vehicles such as 401(k) plans, the life insurance industry has responded by evolving from an industry dominated by traditional life insurance products to a leading provider of investment and savings vehicles, an arena where insurers are now in direct competition with other investment providers such as banking institutions and brokerage firms.

As the life industry continues to evolve, insurance regulators and public policymakers will be called upon to consider regulatory initiatives that provide solvency protections and transparency, and are sufficiently integrated with other financial services regulators to prevent inappropriate regulatory arbitrage with respect to either financial or marketing regulation.

Property/casualty insurance catastrophe coverage

Insured losses from major natural disasters in 2023 have far exceeded historical levels as well as insurer expectations. As of September 2023, there have been 23 confirmed weather/climate disaster events with losses exceeding \$1 billion each in the United States. With weather catastrophes in the United States increasing in the last several years, the modeling of future catastrophe potential strongly suggests that an increase in the frequency of major weather-related events will continue for the foreseeable future. Assuring affordable and available property insurance coverage, particularly in storm-prone locales, is a significant concern.

New Technology

Many recent and forthcoming technological developments raise questions for insurers, public policymakers, and insurance regulators regarding appropriate insurance practices and standards. Some examples include the following:

Sharing Economy

Technology has changed the way people interact. There is now online capability for people to share their houses, motor vehicles, or other personal assets with others on a prearranged basis for a fee. These new commercial uses for property normally covered by personal lines insurance raise questions about the scope of personal insurance coverage, the need for new types of insurance products, and the types of insurance-related disclosures that might need to be made both to people offering services through these sharing networks and their potential customers. Many insurance products have been introduced in this area,

but the evolving nature of the sharing economy means more innovation may be needed to keep up with changing consumer trends.

Driverless cars

Some predictions suggest driverless cars may have a 75% penetration rate by 2040. As this new technology expands, many property and liability insurance issues relating to their use will need to be addressed.

Driver Tracking

Technology now exists which allows tracking of not only where and when cars are driven but also how they are driven. As a result, while insurers are better able to identify safe drivers and provide them rating credits, policy questions may exist as to the extent to which this should be allowed. Driver tracking also raises privacy concerns, especially if insurers provide the data they have obtained or derived to third parties for marketing purposes.

Health Emergencies

Insurers and regulators need to be prepared for future public emergencies, such as the recent COVID health emergency. During the emergency, insurers were required to make major adjustments. For example, many auto insurers applied credits to premiums that had been charged to consumers due a drop in miles driven; and new temporary health coverage requirements were imposed on health insurers.

Mandated Benefits & Defrayal

Mandated benefits require insurance coverage for identified health care needs. If a proposed mandate is not part of Maine's current Essential Health Benefits (EHB), the cost of the benefit provided through plans sold on the state marketplace (the individual market) must be defrayed by the state through the state budget. While defrayal has been required since implementation of the Affordable Care Act, Maine passed its first mandated benefit requiring defrayal in 2022. The FY 2024/25 general fund budget appropriated funds to cover that benefit for two years (\$3.8 million per year). The legislature will need to continue to appropriate funds to cover defrayal for that benefit and any other future mandated benefits that are not part of Maine's EHB.

Defrayal is only one part of the potential financial impact of a mandated benefit. A BOI mandated benefit study provides a comprehensive evaluation of the impact of any proposed mandate including analysis of the social impact, medical efficacy, financial impact on health insurance rates, and potential costs to the state if defrayal is required.

K. Information Specifically Requested by Committee

None requested.

L. Comparison of Related Federal Laws and Regulations

While the federal government has many laws and programs that relate to insurance in some fashion, this requirement is generally inapplicable to the BOI.

M. Collecting, Managing and Using Personal Information

Under the Maine Access to Information Act, all BOI “records” are public unless they fall within an exception to the definition of “public records” recognized by Maine law. There are more than forty such exceptions to this definition which provide that various records within the possession of the BOI are entitled to confidential and/or privileged status.

The BOI routinely responds to requests for public records. At the same time, the BOI makes every effort to safeguard those documents designated as confidential.

In situations where private parties have disputed whether or not certain BOI records are public, the BOI has utilized a procedure whereby parties are requested to make legal arguments to the BOI in support of their respective positions. Should the BOI determine, upon review of those arguments, that a record is public under Maine law, the BOI allows the party asserting confidentiality an opportunity to seek a judicial determination before releasing the record. The BOI’s protocol was the subject of a 2014 legal challenge; however, the protocol was determined by Maine’s Business Court to appropriately balance the interests of persons filing and requesting information with and from the BOI.

The BOI participates in and utilizes the National Insurance Producer Registry (NIPR). One of the hallmarks of the Registry is the issuance of national producer numbers to be used as personal identifiers rather than social security numbers. While some BOI records contain personal information including the social security numbers of individual licensees, the database fields containing that information are not publicly available.

The BOI utilizes those information technology protocols applicable to all Maine agencies as developed by the State of Maine’s Office of Information Technology. Among other protocols, personal or confidential information transmitted outside of the State’s firewall is encrypted.

The Department’s policy is found at Attachment G.

N. List of Reports, Applications and Other Paperwork

With respect to the numbers of filings to be received in the next two years, BOI would anticipate numbers generally comparable to those received during the past two years, with a few exceptions, depending on the line of insurance and market conditions that drive competition and growth. Actions taken by the agency to reduce filing requirements and paperwork duplication are described in sections G and I of this report. BOI's list of reports is found in Attachment D.

O. List of Reports Required by the Legislature

Following is a list of reports required annually the by the Legislature:

- Annual Report from the Superintendent, including the Consumer Healthcare Division Annual Report and Report on External Review
- The Availability of Insurance in the Maine Property & Casualty Market
- Annual Report on the Status of the Maine Workers' Compensation System
- Annual Report on the State of Competition in the Maine Workers' Compensation Market (Joint report with Bureau of Labor Standards and Workers' Compensation Board)
- Annual Report of Insurance Fraud & Abuse
- Report on Claims for Treatment of Lyme Disease and Other Tickborne Illnesses
- Report of the Superintendent of Insurance on Mandated Health Insurance Claims for Substance Abuse and Mental Health Services, Mammography and Breast Cancer Treatment, and Chiropractic Services
- Pharmacy Benefit Managers
- Comparable Health Services Incentive Program
- Employee Benefit Excess Insurance
- Independent Dispute Resolution (IDR)

Additional reports are submitted as needed, at the request of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, regarding the impact of proposed health insurance mandates on premiums.

P. List of Organizational Units and Programs

A list of organizational units and programs within the BOI can be found within the list provided at the beginning of the BOI section of this report.

An organizational chart can be found in Attachment D.

Q. Statutory Provisions Requiring Legislative Review

The BOI's legal staff monitors state and federal legislation and court decisions on an ongoing basis in order to identify conflicts with the Maine Insurance Code and proposes corrective legislation as indicated. Depending on the issue, the appropriate remedial action could involve a provision in the errors bill, a technical correction bill, a substantive change in State law, or advocacy for changes in the conflicting law.

**OFFICE OF PROFESSIONAL
AND
OCCUPATIONAL REGULATION**

A. Enabling or Authorizing Law

Correlation Between Title 10 and Title 32 of Maine Revised Statutes.

The Office of Professional and Occupational Regulation (OPOR) is authorized through the following sections of Maine law:

10 M.R.S. § 8001(38) establishes OPOR as the state administrative agency responsible for administering regulatory programs listed in that section.

10 M.R.S. § 8003(2-A) places OPOR within the Department of Professional and Financial Regulation and sets forth the statutory authority of the Director; and

10 M.R.S. § 8003-A establishes the authority of investigative personnel of OPOR to conduct investigations, issue citations, serve summonses and order corrections in accordance with specific statutory authority. In addition, this section requires OPOR to make the disposition of complaints publicly available. Many other sections of Title 10, Chapter 901 provide statutory authority for OPOR and its staff to act to protect the public.

With a few exceptions, including the Charitable Solicitations Act (Title 9) and the Manufactured Housing Board (Title 10), Title 32 contains chapters devoted to individual licensing programs administered by the Office. These chapters contain provisions specific to one profession or occupation. For example, the provisions of Title 32, chapter 113 outline the professional duties, conduct and responsibilities of licensees of the Board of Accountancy. However, Title 10, section 8003-(5-A) sets forth the array of disciplinary sanctions that can be imposed by the Board of Accountancy and all other licensing programs within the Office. At the request of the Department, the Maine Legislature enacted PL 2007, chapter 402 which consolidated OPOR and licensing program enforcement and disciplinary authority in Title 10 section 8003-A.

B. Description of Programs

The Office of Professional and Occupational Regulation is a state administrative umbrella agency established by the Legislature to administer a wide variety of state regulatory boards and programs. It administers 38 state licensing programs, each of which is a separate state entity. Thirty of these licensing programs have associated boards to which the Legislature has granted independent regulatory authority.

The Governor has statutory appointment authority to fill the approximately 196 board member positions. These positions include licensed practitioners in various professions and occupations as well as public member positions. The composition of each licensing board is set forth in its enabling statute in Title 32. Eight additional programs are administered directly by Office staff without licensing boards.

OPOR and its licensing boards and programs are established for the sole purpose of protecting the public by licensing qualified individuals in each professional area and by imposing discipline, when warranted, on licensed individuals and entities to prevent harm to the public.

Program Goal: To ensure that regulated individuals and businesses in professions and occupations that require a license provide safe services to the public and conduct themselves in an ethical manner.

Program Objective: To license professionals who meet minimum state requirements, regulate licensee conduct through examination and enforcement of standards of practice and conduct, and imposition of discipline, when warranted.

Regulatory Functions

Licensing: Full-time staff is responsible for application review, approval and denial of license applications, verification of applicant qualifications; maintenance of contracts for examination content, examination and score verification; providing information to applicants and licensees about license requirements and practice issues; review and approval and denial of license renewal applications; audit of continuing education; and resolving cases of continuing education compliance failures. Currently, the agency maintains license records for over 129,000 active and inactive licensees.

Enforcement of Law and Rule: An Administrative Complaint Resolution Process is designed to balance the need to safeguard the due process rights of licensees who may be the subject of a complaint, against the public's right to know about unethical or unsafe conduct of licensees and receive notification of the disposition of complaints. Complaints filed by consumers and other entities are

docketed and processed in the OPOR Complaint Office which is managed by a staff attorney.

Incoming complaints against licensees are reviewed, investigated, and forwarded to the applicable staff or board for final disposition.

CASES OPENED (FY 2016 - FY 2023)

2016	2017	2018	2019	2020	2021	2022	2023
1062	874	1135	1121	957	748	817	721

CASE RESOLUTIONS (FY 2016 - FY 2023)

Consent Agreement	Decision and Order	Dismissal	Letter of Guidance
2460	279	2553	552

Complaint Investigation: Staff investigators work in coordination with program staff and assistant attorneys general to conduct investigations and report investigative information to the applicable complaint committee and prepare complaint information for presentation to the appropriate licensing entity.

Compliance Monitoring: Licensee compliance with board orders and voluntary consent agreements is monitored and coordinated by Complaint Office staff to ensure that licensees who are the subject of board discipline comply with limitations and conditions on their practices. Failure of licensees to comply can result in additional discipline.

Rulemaking: A staff attorney serves as rulemaking coordinator for licensing programs to ensure consistency and continuity of substantive rules and adherence to rulemaking requirements set forth in the Maine Administrative Procedure Act. The Office has statutory rulemaking authority separate from licensing programs to ensure standardization, consistency, and fairness in the complaint process, the validation of continuing education submissions, and fees for late renewal of licenses.

Financial Management of Dedicated Revenue: Program managers are responsible for financial management of assigned licensing programs including preparation of biennial budget information based on historical data specific to each program; monitoring incoming dedicated revenue from license fees; analyzing trends in revenue streams and recommending fee adjustments to the Director when necessary to ensure financial stability of each program. Fee adjustments are made through the APA rulemaking process.

Policy Development: The Director coordinates with the Commissioner’s Office and the Governor’s Office to develop legislative proposals on behalf of OPOR and its licensing programs when necessary.

Public Accessibility: The OPOR website is a multi-purpose public information tool that not only allows licensees to serve themselves by submitting initial license applications and renewing their licenses, but it also allows licensees, employers, and the public to check the license status of a licensed professional, obtain disciplinary information about a licensee, and download relevant statutes and rules. Public licensing information can be accessed online at <https://www.pfr.maine.gov/almsonline/almquery/welcome.aspx>

Public Accountability: The Freedom of Access Act (FOAA) (1 M.R.S. §§ 401 *et seq.*) requires that all licensing board meetings are open to the public and that deliberations of boards are a matter of public record.

During the COVID-19 public health emergency, OPOR licensing boards implemented remote meetings in order to continue their public safety mission despite the challenges of in-person attendance posed by the pandemic. Subsequently and pursuant to Title 1, Section 403-B, all licensing entities enacted a Remote Participation Policy allowing the entities to meet remotely or hybrid, as appropriate. In addition, the Office continued to offer the public the opportunity to join a meeting remotely whether the board was meeting in person or remotely.

Agency staff respond to frequent FOAA requests from members of the public and the media. However, Title 10 M.R.S. § 8003-B provides that all complaints and investigative records of the agency are confidential during the pendency of an investigation.

C. Organizational Structure

The Office of Professional and Occupational Regulation is an umbrella state agency established by the Legislature in 1975 to provide critical regulatory infrastructure and continuity to public protection programs by coordinating the activity of over 196 licensing board members and a full-time staff of about 62 authorized positions. The Director of the Office is responsible for ensuring that programs administered by the Office meet public protection mandates set by the Legislature.

OPOR is organized into seven work units staffed by 7 program managers, 1 staff attorney, investigators/field inspectors and support staff. Each of the program managers and their staff are responsible for the administration of up to 10 licensing programs. Each manager reports to the Director.

OPOR’s organizational chart is found in Attachment E.

OPOR Boards and Programs

- Board of Accountancy
- Board of Alcohol & Drug Counselors
- Board for Licensure of Architects, Landscape Architects, and Interior Designers
- Athletic Trainers Licensing Program
- Board of Licensing of Auctioneers
- Barbering and Cosmetology Licensing Program
- Boiler and Pressure Vessel Safety Program
- Charitable Solicitations
- Board of Chiropractic Licensure
- Board of Complementary Health Care Providers
- Board of Counseling Professionals Licensure
- Board of Dental Practice
- Board of Licensure of Dietetic Practice
- Elevator and Tramway Safety Program
- Board of Licensure of Foresters
- Board of Funeral Services
- Board of Certification for Geologists and Soil Scientists
- Interpreters for the Deaf and Hard of Hearing
- Board of Licensure for Professional Land Surveyors
- Manufactured Housing Board
- Massage Therapy Licensure Program
- Nursing Home Administrators Licensing Board
- Board of Occupational Therapy
- Maine Fuel Board
- Board of Pharmacy
- Board of Examiners in Physical Therapy
- Plumbers' Examining Board
- Board of Licensure of Podiatric Medicine
- Board of Examiners of Psychologists
- Radiologic Technology Board of Examiners
- Real Estate Commission
- Board of Real Estate Appraisers
- Board of Respiratory Care Practitioners
- State Board of Social Worker Licensure
- Board of Speech, Audiology and Hearing
- Regulation of Transient Sales
- Board of Veterinary Medicine

D. Repealed, P.L. 2013 c. 307

E. Financial Summary

OPOR's financial summary is found in Attachment E.

F. Repealed, P.L. 2013 c. 307

G. Areas of Coordination with Other State and Federal Agencies

OPOR maintains close working relationships with many state agencies, sharing overlapping authority and/or enforcement responsibility.

Office of the Governor and Department of the Secretary of State

OPOR assists the Governor's Office with appointments to OPOR's licensing entities. The Secretary of State's Office maintains lists of current board members and information related to Office's regulatory agenda.

Office of the Attorney General

The Attorney General's Office provides legal counsel to the Office and licensing entities. OPOR shares enforcement and oversight authority with the Attorney General's Office for charitable solicitations and transient seller activity. As required by statute, OPOR refers evidence of unlicensed practice to the Attorney General's Office.

Department of Public Safety, State Fire Marshal's Office, and Department of Environmental Protection

OPOR staff shares information and works in collaboration with the State Fire Marshal's Office and the Department of Environmental Protection, Bureau of Remediation, and shares statutory authority for enforcement of adopted safety codes associated with those programs in the areas of inspection of oil, solid fuel, propane, and natural gas and electrical installations.

Maine Department of Labor and the Department of Defense

OPOR works collaboratively with the Department of Labor on workforce matters that pertain to professional licensing. For example, staff have collaborated on issues related to DOL apprentice and pre-apprenticeship programs and also matters related to licensing for individuals with education and training from other countries. Veterans who seek an OPOR license receive credit for their relevant military training and experience.

OPOR has also collaborated with the US Department of Defense to facilitate licensure for active military, veterans, and their spouses. In the 130th legislative session, OPOR collaborated on legislation that created a fast-track temporary license for active and recently separated military and their spouses. OPOR has also

supported several interstate licensing compacts developed by the DOD. OPOR updated its military website landing page to clarify these licensing flexibilities and to announce the availability of license eligibility for service members relocating to Maine under military orders pursuant to the federal Service Member Civil Relief Act.

Maine Department of Agriculture

OPOR staff shares information with and may conduct joint investigations with the Animal Welfare Program within the Department of Agriculture, Conservation and Forestry on cases of animal abuse involving licensees of the Board of Veterinary Medicine.

Department of Education

OPOR staff shares information and collaborates with the Maine Department of Education regarding the speech pathology and audiology, interpreting for the deaf and hard of hearing, and barbering and cosmetology school curricula.

Department of Health and Human Services

OPOR collaborates and shares information with the Maine Department of Health and Human Services on a range of matters such as workforce development strategies, opioid product registration, prescription drug monitoring program, alcohol and drug treatment programs, and vaccine administration.

Department of Public Safety and U.S. Department of Justice

Coordination between the OPOR and the State Bureau of Identification (SBI) within the Department of Public Safety relates to the identification and background checks of license applicants and licensees.

Department of Economic and Community Development (DECD) and Governor's Office of Policy Innovation and the Future (GOPIF)

OPOR and the Commissioner's Office are working with DECD and GOPIF on workforce expansion efforts related to the Governor's 10-year economic development plan. Commissioner's office staff are members of GOPIF's Work Force Cabinet.

While public protection is the sole purpose of licensure, OPOR recognizes that licensure can play an important role in workforce expansion efforts. And, though OPOR is not staffed to support efforts outside of public protection role, for a limited time, it has access to just under \$400,000 of Maine Jobs and Recovery Plan (MJRP) to support OPOR's efforts related to workforce expansion to attract out of state and out of country licensees to Maine for industries targeted by MJRP.

OPOR is using MJRP funds to assist with a variety of efforts. For example, OPOR is actively collaborating with a contractor to develop draft rules to establish a provisional license for applicants with a license from another state or country for licensing programs within the MJRP targeted industries. OPOR has developed initial

drafts for four licensing programs, primarily in the behavioral health fields. Each of these drafts will need to be reviewed by the OPOR attorney, each of the board's assistant attorneys general, and then presented to each board for their review and consideration.

OPOR also hired a marketing company to develop a new website design with the goal of facilitating navigation and simplifying language. The contractor developed an outline for the website and OPOR has now contracted with InforME to build the website.

OPOR had been planning to use MJRP funds to develop licensing guides, but OPOR and DECD collectively decided to incorporate the licensing guides into DECD's development of workforce attraction guides. OPOR looks forward to collaborating with DECD on the licensing component of those guides once the contractor for their project has been hired.

COVID-19 Public Health Emergency 2020-2022

OPOR coordinated with a broad range of state departments and agencies and the Governor's Office to assist with the unique and unprecedented circumstances related to the COVID-19 Public Health Emergency (PHE). The Office worked closely with the Department of Economic and Community Development (DECD) to review, implement and enforce DECD's business guidelines during the declared state of emergency. OPOR assisted the Governor's Office to develop executive orders related to OPOR licensees that permitted telehealth services and relaxed continuing education and licensing requirements during the PHE. OPOR worked with closely the Governor's Office and DHHS on guidance and bills related to vaccination and telehealth. OPOR communicated frequently with licensees on matters relevant to licensing and the PHE.

H. Constituencies

OPOR serves the public at large, including more than 124,000 licensees, as well as applicants for licensure. Additionally, the agency serves over 196 board members appointed by the Governor, and other states' regulatory programs.

I. Alternative Delivery Systems

Online licensing: OPOR was one of the first umbrella licensing agencies in the country to offer online license *renewal* services. As the result of tremendous time, effort, and coordination between OPOR and ALMs, OPOR now offers online *initial* licensing for most professions in addition to online license renewal service. OPOR intends to have its licensure process entirely paperless by June 2024. Online applications simplify the application process, expedite licensing timelines, and reduce costs for both the applicants and OPOR.

When an applicant completes their online application, they receive an email notice that their application has been received. If the application is incomplete, the applicant receives immediate email notice of the missing information and periodic email reminders to complete the application. When an application is approved, the applicant receives an e-mail notification that the license has been activated in the Agency Licensing Management System (ALMS). The licensee may then download and print their license at their convenience.

Expanding online services involves significant expense and reliance on our technology partners – the Office of Information Technology and InforME.

J. Emerging Issues

Trend toward Interstate Practice: Telehealth; National Licensing Compacts; State Licensing Flexibilities & Public Protection

Temporary measures implemented by insurers and state governments during the COVID-19 pandemic made it easier for patients to seek care from out-of-state clinicians via virtual care visits. At the end of the PHE, those licensing flexibilities terminated, and health providers in other states were required to have a Maine license in order to continue to provide care to patients in Maine.

While the widespread use of telehealth is often viewed as one of silver lining for the COVID-19 pandemic, licensing in the U.S. is a state-based system, which means that each individual state is responsible for regulating its licensed professions. Given the public's experience with telehealth, there is likely to be much discussion about the state-based licensure system.⁴

A licensing board's most important public protection function is its complaint process which allows a member of the public who feels they received incompetent or unprofessional care to submit a complaint against a licensee and allows the licensing board to impose discipline, when appropriate. A Maine licensing board only has jurisdiction over health providers who have a Maine license and, therefore, without requiring practitioners desiring to provide telehealth services to citizens residing in Maine to have a Maine license, the board would have limited recourse against a provider only licensed in another state. Although Maine citizens could file complaints with licensing boards in other states, their concerns may not be reviewed promptly, or at all, and out of state licensing boards may focus their resources and efforts on protecting their citizens.

⁴ The authority for states to regulate professions and occupations emanates from the 10th Amendment of the United States Constitution, which authorizes the states to establish laws and regulations protecting the health, safety, and general welfare of their citizens. Therefore, each state has the right and responsibility to regulate those professions and occupations which it deems necessary to protect the public welfare.

During the pandemic, Executive Orders 16 and 35 FY 20/21 required Maine's health care licensing boards to provide temporary emergency licenses to out of state licensees at no cost to the licensee. While providing free temporary licenses was manageable for a short period of time, the financial loss and stress on board and staff resources was significant. All healthcare licensing board operations are supported entirely by Maine licensing fees. Free or reduced cost licenses for out of state licensees is unsustainable and unfair to Maine-based licensees. If Maine only requires Maine-based health care practitioners to pay license fees, those Maine-based health care practitioners would be responsible for bearing the entire cost of their board's operations, including license application processing, complaints administration etc.

Licensing compacts provide states with a strategy to address interstate practice while maintaining a state's public protection role. Compacts are established by model legislation which requires participating states to abide by the terms of the compact. The model acts must be adopted by each interested state's legislature. During the 130th Legislature, Maine joined interstate compacts for psychologists, occupational therapists, and professional counselors. During the 131st Legislature, Maine joined the Physical Therapy and Speech Language Pathology compacts. The Office expects more compacts to be developed and introduced soon. While compacts expand licensing flexibility, the state, to some extent, loses control over its licensing laws.

During the 131st Legislature, the Office initiated successful legislation resulting in *Public Law 2021, Chapter 167*, to establish "licensure by endorsement" and a "provisional license" as additional tools to facilitate interstate practice and to encourage licensed professionals to practice in Maine.

- *Licensure by endorsement* allows an individual who has a license in good standing from another state to receive a Maine license so long as their home state standards are substantially equivalent to Maine's. The law requires that each licensing entity develop rules to determine substantial equivalence. Office staff have been researching the licensing laws of other states to help licensing entities to determine substantial equivalence. In addition, the Legislature gave licensing entities authority to issue a license by endorsement on a case-by-case basis in advance of adopting rules.
- *Provisional licensure* is another pathway to licensure for applicants with licenses from other countries and other states might not meet the standards for licensure by endorsement. A provisional license would require the applicant to meet certain conditions and work under supervision to gain full licensure. Whether a provisional license is appropriate for a particular license seeker will depend on the license sought, the applicant's qualifications, and the complexity of the licensing program. Research and rulemaking are necessary before provisional licenses can be implemented. OPOR has hired a policy consultant to assist with the board-by-board

research, analysis, and rulemaking necessary to implement this license type.

Criminal Background Check

Office policy requires that initial licensure applicants undergo a Maine criminal background check through the Maine Department of Public Safety's State Bureau of Identification (SBI). SBI reports include only crimes committed in Maine and may not include all criminal convictions. With the growing interest in expanding licensing flexibilities to attract licensees from other states, the Maine-specific SBI background check may not adequately protect the public. Many other states require Federal Bureau of Investigation fingerprint based criminal background check (FBI background check) prior to initial licensure. And the licensing compacts require FBI background checks.

To require an FBI background check, Maine needs federal approval from the Department of Justice and its background check vendor. OPOR is currently seeking federal approval for two of the licensing programs where Maine has joined an active interstate licensing compact. OPOR will eventually need to seek federal approval for the other compacts Maine joined during the last few years.

Implementing these FBI background checks for interstate compacts raises the question of whether the FBI background check should be required for all applicants for a Maine license for all licensing programs. Note: these FBI checks are more expensive and take more effort by licensure applicants. In addition, there has been some movement in Maine to seal or expunge criminal history records for certain types of crimes. The Legislature should consider the balancing of the burdens and benefits.

OPOR Authority

The PHE identified OPOR's limited authority to take important measures during an emergency. OPOR did not have independent enforcement authority to enforce public health measures related to its licensees nor did it have independent authority to waive statutory requirements such as continuing education, licensing fees, etc. It might be beneficial to grant the OPOR Director authority similar to other agencies within DPFR so that OPOR could be more responsive during a declared emergency.

Licensing Exam Elimination

There are legislative efforts in Maine and across the country to eliminate certain licensing exams. Licensing exams are one of the tools that licensing boards use to ensure that license applicants meet minimum standards to protect the public. Licensing exams are seen by some as an unnecessary, costly or discriminatory barrier to licensure. The Legislature will need to consider whether a licensing exam is an essential tool to protect the public. It will also need to consider whether removing an exam requirement will impact the expansion of interstate licensing

compacts, which generally require that a compact privilege applicant has passed a national examination.

K. Information Specifically Requested by Committee

None.

L. Comparison of Related Federal Laws and Regulations

Professional and occupation licensing is a state-based system. The only OPOP licensing program that is subject to direct federal oversight is the Maine Board of Real Estate Appraisers. In 1989, the US Congress passed [Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 \(FIRREA\)](#), more commonly known as the Savings and Loan Bailout Bill. FIRREA established a real estate appraiser regulatory system involving the federal government, the states, and The Appraisal Foundation (Foundation).

Each US state or territory has a real estate appraiser regulatory agency that is responsible for licensing and certifying real estate appraisers and supervising their appraisal-related activities, as required by Federal law.

The [Appraisal Subcommittee](#) (ASC) maintains oversight authority over the states to ensure the minimum qualifying criteria to license and certify real estate appraisers are implemented and that appraisers are held to a professional set of ethical standards. The Foundation's Appraiser Qualifications Board (AQB) sets the minimum *Real Property Appraiser Qualification Criteria*, and the Appraisal Standards Board (ASB) develops the generally accepted standards of practice for the appraisal profession (the *Uniform Standards of Professional Appraisal Practice*).

The regulatory program of the Maine Board of Real Estate Appraisers has conformed to the licensing qualifications and continuing education requirements of the AQB for the important purpose of ensuring that Maine financial institutions that use real estate appraisers have access to the secondary mortgage markets and federal transactions. The AQB also requires the state board to transfer \$50 for each license issued biennially to the federal authority to pay for federal regulation.

In 2017, in response to the 2010 Dodd-Frank Act, the Maine Legislature enacted the Appraisal Management Company Registration Act, requiring appraisal management companies to register with the Board. Per Dodd-Frank, states needed to decide whether to regulate AMCs by August 10, 2018; if Maine had not, certain non-federally regulated AMCs would have been barred from providing appraisal management services for federally related transactions in the state. Maine did pass legislation to require AMCs be licensed and regulated in Maine and adopted laws that established the minimum requirements that had been set forth in federal regulations. The "Final Rule" established minimum requirements for state licensure and supervision in AMCs and requires that Maine report certain AMC information to the ASC.

M. Collecting, Managing and Using Personal Information

OPOR complies with the Department's policy on collecting, managing and using personal information. The Department's policy is found at Attachment G.

Excluding applications for units (elevators, tramways, boilers, etc.), OPOR issued more than 19,000 licenses to individuals and companies in FY 2023.

N. List of Reports, Applications and Other Paperwork

Applications and required forms can be obtained at:

www.maine.gov/pfr/professionallicensing

Applicants and licensees are urged to use the efficient online services available for initial licensing, license renewal, change of address, phone, and email addresses. Licenses may be renewed electronically 24 hours a day, 7 days a week, up to 60 days prior to the license expiration date.

A list of licensing programs, licensee figures and other data are found in Attachment E.

O. List of Reports Required by the Legislature

[Report on Licensure for Credentialed Individuals from Other Jurisdictions \(LD 149\) - \(December 2021\) - PDF](#)

[Vehicle Safety in the Funeral Industry Report](#)

[Report on Barriers to Credentialing Pursuant to Resolve 2019, c. 79 \(March 3, 2020\) - PDF](#)

[Report on Requiring Professional Licensure for Home Inspectors Pursuant to Resolve 2019, c. 61 \(January 10, 2020\) - PDF](#)

[Report on Requiring Professional Licensure for Crane Operators Pursuant to Resolve 2019, c. 75 \(January 10, 2020\) - PDF](#)

P. List of Organizational Units and Programs

OPOR's organizational chart is found in Attachment E.

Q. Statutory Provisions Requiring Legislative Review

[Increase funding for Research](#)

OPOR is supported entirely by dedicated revenue from license fees assessed on individual licensees and regulated entities. These funds support the core public safety functions of each of the OPOR licensing entities. License fees are dedicated to the specific licensing program and should not be used for purposes outside of

that licensing program. Nearly every session, OPOR is asked to consider initiatives outside of the existing licensing programs.

Grant OPOR Boards the Authority to Not Docket all Complaints

The Director of the Real Estate Commission has statutory authority to determine that complaints that do not address violations of the Commission's laws or rules and/or are outside the Commission's jurisdiction will not be processed and presented to the Commission. Instead, the individual is notified that the allegations contained in the complaint will not be pursued unless additional evidence is provided that indicates if the allegations are true, they would consist of violations of statute or rule. OPOR processes many complaints each year that are filed against an individual who happens to have a license, but the complaint does not involve any allegation of conduct that requires a license (i.e., a dispute about use of commercial property against a health care licensee). There are also complaints submitted that contain allegations of a contractual dispute and the individual submitting the complaint is seeking restitution. Licensing boards do not have the authority to order relief like a civil court. Having the ability to decide not to process complaints that do not allege any violation of a law or rule that is enforced by a licensing board would allow staff to better allocate their time and resources. This would require a statutory change to each licensing statute.

The Opioid Product Registration Fee

The Board of Pharmacy was given statutory responsibility for collecting a \$250,000 fee from each manufacturer that sells, manufactures, delivers, or distributes more than a certain percentage of opioid medication in this state (32 M.R.S. § 13800-C). The Board of Pharmacy is merely a pass-through entity as all funds are transferred from the Pharmacy Board to DHHS to support DHHS programming related to substance use disorders. This structure is burdensome for the board's part-time staff, and OPOR recommends that the fee payments by manufacturers should be submitted directly to DHHS without entering the board's licensing account.

OFFICE OF SECURITIES

A. Enabling or Authorizing Law

The Office of Securities (OOS) is authorized through 32 MRS §16601.

B. Description of Programs

The Securities Administrator (Administrator) administers and enforces the Maine Uniform Securities Act (the Act). The Administrator also enforces the Maine Commodity Code and the Regulations of the Sale of Business Opportunities. The principal mission of OOS is to protect Maine consumers from fraudulent, deceptive, and unethical practices in the securities business. The OOS accomplishes its mission through its licensing, registration, enforcement, examination, and investor education programs. The Administrator administers those programs with equal priority.

Licensing

Broker-dealers, agents, investment advisers and investment adviser representatives may not transact business in Maine unless they are licensed or exempt from licensing. The OOS reviews license applications and the Administrator has the authority to deny an application or place restrictions or conditions on a license based on grounds specified in the Act.

In keeping with the Department of Professional and Financial Regulation's (the Department) emphasis on using technology to increase efficiency and enhance service to regulated entities and the public, OOS receives and processes all license applications electronically. In fiscal year 2023, OOS received and processed 100 broker-dealer applications; 40,212 agent applications; 15 investment adviser applications; and 643 investment adviser representative applications.

Securities Registration

Under the Act, a person may not offer or sell a security in Maine unless the security is registered, the security is a federal covered security, or the security, the transaction, or the offer is exempt from registration. The OOS reviews applications to register securities for sale in Maine, and the Administrator may issue an order denying an application based on grounds specified in the Act. The OOS also reviews

filings for exemptions from registration and receives notice filings for offerings of federal covered securities.

In fiscal year 2023, OOS received and processed 29,889 securities registration, exemption, and federal covered securities notice filings. Effective August 1, 2023, OOS began receiving Form D notice filings electronically through the North American Securities Administrators EFD system. In the first month of participation, OOS received 56 electronic Form D filings. This continues the agency's efforts to increase the use of technology to generate efficiencies both for the agency and the customers it serves. The OOS's participation in the EFD system has been favorably received by industry customers and generated efficiencies within the agency.

Enforcement

Responding to investor complaints and investigating allegations of fraudulent or otherwise unlawful practices lie at the heart of what OOS does, and the Act gives the Administrator broad enforcement authority. The Administrator may issue orders requiring that a person cease and desist from objectionable practices; revoking, suspending, limiting, or conditioning a license; barring a person from participating in the industry in Maine; censuring a licensee; revoking or suspending a securities registration; ordering payment of restitution; or imposing a civil fine. If an enforcement action involves an investor age 65 or older, the Administrator can double any civil penalty imposed. In addition, the Administrator refers matters to the Attorney General for civil or criminal action, and, when resources permit, the OOS works closely with the Attorney General's staff as these cases make their way through the court system.

In fiscal year 2023, the Administrator ordered the repayment of \$24,996.61 in professional fees to Maine investors from persons who charged fees prior to being properly licensed and assessed \$1,461,419.00 in penalties. The Administrator also issued four consent orders and executed six consent agreements for securities law violations. Since fiscal year 2015, the time of the last government evaluation accountability report, the Administrator ordered or obtained judgments ordering the payment of \$26,130,407 in restitution for Maine investors and assessed \$3,435,913 in penalties.

Securities Restitution Assistance Fund

At the request of the Administrator, the 130th Legislature enacted, and Governor Mills signed An Act to Establish the Securities Assistance Fund for Victims of Securities Violations. Effective August 8, 2022, the law establishes a fund to which harmed investors can seek relief when the Administrator orders payment of restitution or restitution is ordered in a legal proceeding initiated by the Administrator. As noted above, since 2015 the Administrator ordered or obtained judgments ordering the payment of \$26,130,407 in restitution for Maine investors. Recovery of the restitution, however, can be difficult with only a small percentage of the ordered restitution paid to those suffering losses.

Under the new law, claimants who have been awarded restitution may apply to the fund to recover the lesser of \$15,000 and 25% of the amount of unpaid restitution. The recovery cap is increased to the lesser of \$30,000 and 50% of the amount of unpaid restitution if the claimant meets the definition of “eligible adult” (someone 65 years of age or older, or someone who is protected by the Adult Protective Services Act). While any payout will not make the harmed investor whole, it will provide a small cushion for those most in need and help them start to rebuild and stabilize their financial situation. The fund is supported by the redirection of \$5 from each investment adviser representative and broker-dealer agent license fee (both currently set by rule at \$25) provided OOS’s operating fund exceeds 135% of the agency’s annual budget.

Since the law’s effective date, OOS has issued one order of restitution. The potential claimant has one year from the date of the order to apply for recovery from the fund.

Compliance Examinations

The Act authorizes the Administrator to conduct audits or inspections of broker-dealers and investment advisers licensed or required to be licensed by the Act. The OOS conducts on-site examinations to verify that broker-dealers and investment advisers are complying with and keeping the records required by state and federal securities laws and regulations. Through the examiners’ early identification of non-compliant activities, the Administrator has been able to partner with investment advisers and broker-dealers to help them correct deficiencies and remain in compliance with complex securities laws, which in turn helps ensure that their businesses run efficiently and effectively. The examination process also has enabled the Administrator to identify more serious violations by licensees, leading to undertakings or enforcement actions that can obtain relief for investors and help assure an ethical and compliant securities industry in Maine.

In fiscal year 2023, OOS conducted two examinations of licensee offices. A significant transition in the compliance examination area during the fiscal year necessitated substantial rebuilding of this division. It is anticipated that cross-training staff and streamlining the examination process will increase the number of examinations conducted going forward.

Investor Education & Industry Outreach

The OOS’s investor education and industry outreach programs provide meaningful, objective information on investing and regulatory compliance to the people and businesses of Maine. Historically, OOS has often delivered these messages through in-person presentations. Over the past few years, OOS has responded to staffing and pandemic-related challenges by increasing its reach on broadcast and streaming media.

For consumers, many of OOS’s education efforts focus on Maine’s older investors, who often are targeted for financial exploitation. The OOS has long partnered with

community organizations and other government agencies to deliver presentations covering topics ranging from avoiding investment fraud to selecting a financial professional. As a recent example, during the pandemic the Administrator partnered with AARP Maine and the Maine State Police to develop a series of scam prevention YouTube videos that addressed social security scams and COVID-19 fraud awareness, among other topics.

The Administrator also has developed a series of public service announcements to raise awareness about the risks of current investment schemes. Funded primarily through the agency's Investor Education Fund, these PSAs run on local network and cable provider channels and can also be viewed on OOS's website. Collectively, the PSAs have been viewed millions of times. Recent PSAs have provided investor guidance on avoiding fraud relating to precious metals and cryptocurrencies.

The recent budget reinstated an Investor Education Manager position that had previously been lost, and the Administrator anticipates that filling that position will permit OOS to redouble its outreach efforts, including by updating OOS website and exploring additional channels for partnership and education.

For industry, OOS periodically provides guidance on specific compliance issues, legislative changes, and licensing questions. The OOS requires that all new Maine financial professionals attend a seminar before becoming licensed to ensure that they know their regulator and are focused on regulatory compliance. Although historically these seminars were presented in person, during the pandemic the Administrator developed an online version that allows applicants to take the seminar at their convenience and become licensed more quickly.

C. Organizational Structure

The OOS is directed by the Securities Administrator and has 17 authorized positions. In addition, OOS has one limited period project position focused on assisting with mentoring and assisting with transitions and training for the new Administrator and new Division Directors and their staff. The Administrator is responsible for the administration and enforcement of the Act, the Regulation of the Sale of Business Opportunities, and the Maine Commodity Code. The OOS is divided into three divisions: the investigations and enforcement division, the examination and licensing division, and the corporate finance division.

The OOS's organizational chart is found in Attachment F.

D. Repealed, P.L. 2013 c. 307

E. Financial Summary

The OOS's financial summary is found in Attachment F.

F. Repealed, P.L. 2013 c. 307

G. Areas of Coordination with Other State and Federal Agencies

The OOS has coordinated its efforts with the following state and federal agencies in achieving its objectives:

Department of the Secretary of State

The OOS requests information from the Bureau of Corporations, Elections and Commissions within the Department of the Secretary of State during investigations of alleged violations of securities laws.

The OOS also utilizes database information from the Bureau of Motor Vehicles within the Department of the Secretary of State during some investigations of alleged violations of securities laws.

Office of the Maine Attorney General

The OOS collaborates with an assigned Assistant Attorney General (AAG) during investigations. The AAG drafts enforcement actions or reviews actions prepared by investigative staff. Additionally, the AAG assists agency staff or the hearing officer in administrative hearings. Upon completion of a thorough investigation, the Administrator may refer cases to the Attorney General's Office for civil and criminal prosecution. The AAG represents the Administrator in litigation including civil cases brought on behalf of the Administrator. When appropriate and when resources allow, OOS investigative staff assist the AAG in civil and criminal trial preparation and appear as witnesses.

Maine Department of Health and Human Services

The OOS works in cooperation with the Department of Health and Human Services on matters pertaining to the loss of occupational or professional licensure for failure to meet child-support obligations. In addition, OOS works with the Office of Aging and Disability Services on issues related to elder financial exploitation. Pursuant to Subchapter 8 of Title 32 (Protection of Vulnerable Adults from Financial Exploitation), certain securities professionals are mandated to report possible financial exploitation both to the Administrator and to the Office of Aging and Disability Services. The OOS and Administrator coordinate these reports and responses as well as training for financial services professionals.

Maine Department of Public Safety, SBI

Coordination between OOS and the State Bureau of Identification (SBI) within the Department of Public Safety relates to the identification and background checks of license applicants and licensees.

Other State and Provincial Securities Regulators

The OOS collaborates with other states' securities regulators and coordinates certain activities through the North American Securities Administrators Association (NASAA). This relationship involves all areas of securities regulation: matters of regulatory policy; joint enforcement actions; robust training opportunities; and joint compliance examinations.

Federal Agencies

U.S. Securities and Exchange Commission: matters of regulatory policy; enforcement matters; joint enforcement actions; and joint investor education presentations.

Financial Industry Regulatory Authority (FINRA): matters of regulatory policy; enforcement matters; joint enforcement actions; and joint investor education presentations.

U.S. Department of Justice: refer investigations to FBI; and refer cases to U.S. Attorney for prosecution. The OOS also attends a monthly meeting coordinated by the U.S. Attorney's Office to review Suspicious Activity Reports (SARs) involving Maine subjects.

U.S. Commodity Futures Trading Commission: refer complainants and conduct joint investigations and enforcement actions.

U.S. Department of Labor: refer ERISA issues and joint investigations.

U.S. Consumer Financial Protection Bureau: refer complainants; discuss matters of regulatory policy; and joint investor education presentations.

H. Constituencies

The primary constituency of OOS is Maine consumers who have purchased or may purchase investments. The number of consumers who purchase investments, as well as the amount they invest, has increased during the last 10 years. Maine consumers, like those throughout the nation, have purchased investments as they save for retirement and their children's education.

Other constituencies of OOS include issuers seeking to sell securities in Maine, broker-dealers, agents, investment advisers, investment adviser representatives, and sellers of business opportunities.

I. Alternative Delivery Systems

The Administrator has actively pursued alternative delivery systems to carry out OOS's mission. Currently, all license applications are received electronically through a computerized licensing system built and operated by FINRA, the securities industry's self-regulatory organization.

Part of that system, Web CRD (Central Registration Depository), was developed under a contract between FINRA and NASAA. Another part of the system, IARD (Investment Advisor Registration Depository), was developed jointly by the SEC and NASAA. FINRA collects the corresponding licensing fees from applicants and licensees and forwards them electronically to OOS.

As a result of the use of the national licensing systems, in 2022, for example, OOS received 40,201 applications for licensure as a broker-dealer agent, and the Administrator automatically licensed 36,416 of those individuals. Additionally, another 3,253 licenses were issued within 24-48 hours of submission for applicants whose licensing history required additional review.

In August 2023 OOS once again began permitting certain notice filings to be submitted electronically through NASAA's Electronic Filing Depository system (EFD). Although OOS had participated in EFD when it first became available in 2014, OOS had to withdraw for a period of time for technical reasons that have now been addressed by modifications to the EFD system and related processes. Rejoining EFD has led to positive outcomes both for the agency and its customers. It is anticipated that use of this system will be expanded as new functionality is added.

The OOS will continue to develop the capability to receive applications to register securities, filings for exemptions from registration, and other types of notice filings for federal covered securities electronically.

The OOS receives consumer complaints electronically through its website (www.investors.maine.gov). The OOS's website also offers extensive information and resources for investors and industry alike, including: online access to the Act and OOS's rules; PDF copies of enforcement actions (including both Administrator orders and actions brought by the Attorney General's Office); and consent agreements that informally resolve investigations. Further, the agency offers GovDelivery services to allow interested members of the community, both consumers and financial professionals, to receive alerts from OOS through the web-based notification system.

J. Emerging Issues

Cryptocurrency

Cryptocurrency initially developed as an intriguing but unregulated alternative to traditional fiat currency. Like many innovations in the financial services sector, however, cryptocurrencies and other digital assets can be misused by unscrupulous entities including those who seek to avoid government oversight entirely or seek to use new technologies to perpetuate age-old scams. While there are many legitimate cryptocurrency firms and platforms that function appropriately, many other actors in the industry have engaged in unlicensed, misleading, or fraudulent securities activity.

The OOS is actively monitoring developments in the cryptocurrency sector, and will take enforcement actions where appropriate. For instance, the Administrator recently participated in two multijurisdictional actions involving cryptocurrency platforms, specifically BlockFi, which marketed and sold securities without being properly licensed and made material misrepresentations about its loan collateralization practices, and Nexo Capital, which also offered and sold securities that were not registered or permitted for sale in Maine.

The OOS also has taken an active role in educating Maine consumers about the potential misuse of cryptocurrencies. At one time, a scam artist might convince a consumer to purchase thousands of dollars of gift cards to pay off a fake debt or to bail a grandchild out of jail. Now it is not unusual to hear that a scam artist convinced a consumer to transfer thousands of dollars out of their bank or retirement accounts into a digital wallet controlled by the scam artist. As a response, the Administrator recently introduced new cryptocurrency-focused public service announcements and will continue to make this topic a focus of investor outreach efforts.

There are active discussions at both the Federal and state level about the developing legislative and regulatory frameworks for cryptocurrencies, digital assets and blockchain technology. The OOS will continue to monitor and participate in these discussions, which may have implications for the extent of OOS's jurisdiction over digital assets.

Artificial Intelligence

Much like cryptocurrency, the use of artificial intelligence (AI) in the securities industry is an area to watch. Of course, AI can be misused by fraudsters, but its use by the legitimate securities industry to interact with clients, customers, and investors is also worthy of scrutiny. As with other technological developments, AI may offer opportunities to provide financial services to a wider public at lower cost, but it is critical that investor protections are maintained. For example, one of the essential foundations of securities oversight is assuring proper disclosure so that investors can make informed investment decisions. It is important that financial professionals make necessary disclosures about their use of AI to interact with clients and ensure that investment recommendations are based on clients' actual financial needs and characteristics, not merely an AI-generated template.

Possible Efforts to Preempt State Authority

Efforts to preempt state authority continue in the area of corporate finance and the registration of securities offerings. Promotion of responsible capital formation is appropriate for state securities regulators particularly as we seek to inform entrepreneurs in our communities about available capital raising opportunities. These efforts are balanced with the need to make sure all risks and benefits are fully disclosed, and fraud is diminished, to protect Maine investors from misrepresentations and untruths associated with certain offerings.

Efforts to preempt state review of securities offerings are misplaced. It is critical to have a strong and independent securities regulatory agency in Maine to protect current and future investors. Neither the SEC nor FINRA has a presence in the State. As a result, without OOS, an aggrieved investor would have to travel to Boston and deal with an agency which tends to focus on larger market issues and not on the consumer protection concerns that are most common in Maine.

More effective coordination between federal and state regulatory agencies is needed. The securities markets may operate on Wall Street, but stocks, bonds, and other investments are sold on Main Street. At the state level, securities regulation is, at its heart, consumer protection in a specialized context. The state-federal system of regulation is collaborative and complementary, but there must be greater emphasis on continued cooperation and shared efforts.

K. Information Specifically Requested by Committee

None Requested.

L. Comparison of Related Federal Laws and Regulations

The first state securities laws were adopted 20 years before federal securities laws. In 1913, two years after Kansas adopted the first "blue sky" law, Maine enacted a statute relating to "Dealers in Securities," to be administered by the Bank Commissioner. The first federal securities law was the United States Securities Act of 1933.

Today, OOS is part of a coordinated regulatory effort consisting of federal and state securities regulators. With the number of first-time investors on the rise, strong regulation on both the state and the federal level is necessary to protect their investments and to maintain investor confidence.

The industry is regulated at the national level by the SEC and self-regulatory organizations, the largest self-regulatory organization being FINRA.

The OOS handles the majority of complaints from Maine investors. The federal regulators generally concentrate on issues of national importance, such as the integrity and transparency of our national securities markets, while state regulators respond to securities issues at the local level, such as investigating complaints of fraud and unethical practices.

M. Collecting, Managing and Using Personal Information

The Department maintains a specific policy regarding Social Security Numbers and personal information. It is intended to prevent the indiscriminate release of such personal information and to establish a procedure to assure that public and Freedom of Access Act (FOAA) requests are made and responded to in accordance with the law.

Each agency within the Department has a designated attorney or manager responsible for processing and responding to requests for personal information, including FOAA requests. If an employee receives a request from the public to review or copy documents containing personal information, the employee shall ask that the request be in writing. In addition, all responses to such requests shall be reviewed by the designated attorney or manager.

In processing a public or FOAA request, the agency redacts information protected by statute. In addition, the agency determines whether the request can be responded to without supplying other personal information. Each agency may have specific information which is protected by law or regulation.

When posting information on the Department's website, agencies do *not* post personal information, such as home addresses and telephone numbers. An exception to this rule would be in cases in which such information is directly applicable to a licensee's business, such as when a home address is also a business address or a home telephone number is also a business telephone number, or when the information is included in a public document obtained from the court system, such as an Indictment or a Judgment and Commitment. Under no circumstances are Social Security Numbers to be posted.

Specific to OOS, the national licensing database, Web CRD/IARD, operated by FINRA and used by all state and federal securities regulators, collects Social Security Numbers and home addresses. Both SSNs and home addresses are non-public information under the Act and federal law, and they are not provided when information on licensees is requested. The only exception is when home addresses are designated by licensees on the license application as the business address.

The Department's policy can be found at Attachment G.

N. List of Reports, Applications and Other Paperwork

The OOS requires the filing of applications in its licensing and securities registration programs. Generally, OOS requires the filing of forms and information that are also required by other securities regulators. This is particularly true in OOS's licensing program.

Through NASAA, the OOS has worked with both state and federal securities regulators, including the SEC, FINRA, and the NYSE, to develop uniform license application forms. As described in Section I, OOS receives its license applications electronically through a national computerized database operated by FINRA.

The list of applications required by OOS is found in Attachment F.

O. List of Reports Required by the Legislature

None required.

P. List of Organizational Units and Programs

OOS's Organizational Chart is found in Attachment F.

Q. Statutory Provisions Requiring Legislative Review

None.

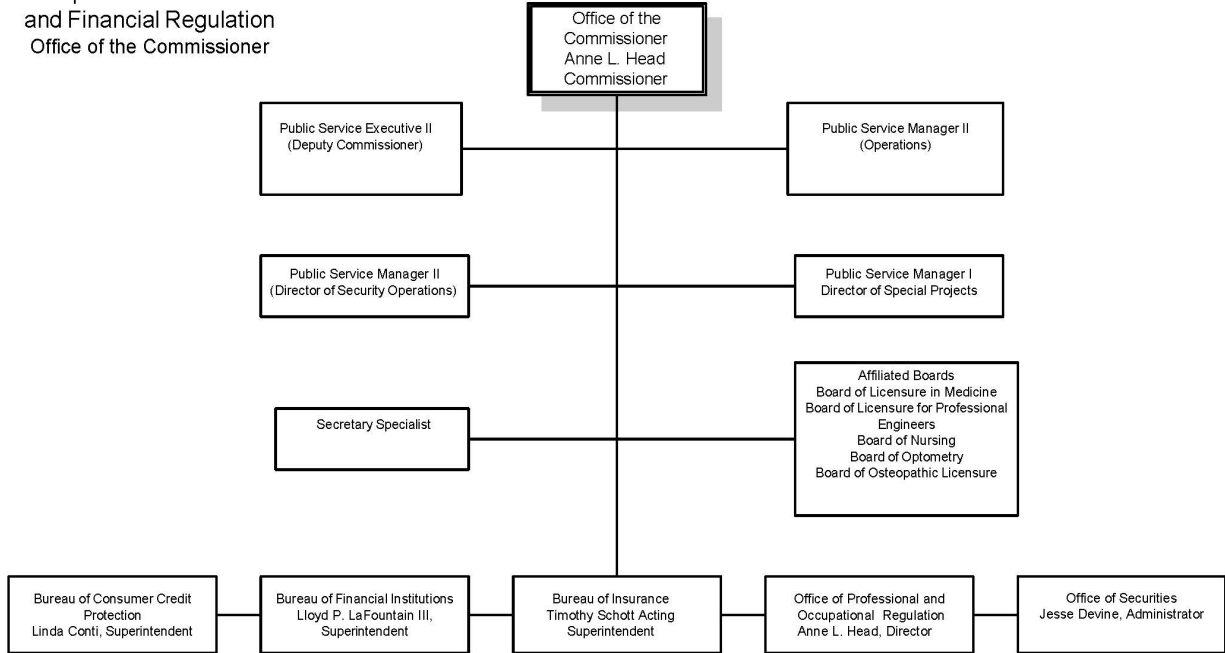
**ATTACHMENT A
COMMISSIONER'S OFFICE
AND
ADMINISTRATIVE SERVICES DIVISION (ASD)**

1. ASD – Organizational Chart
2. ASD – Financial Summary

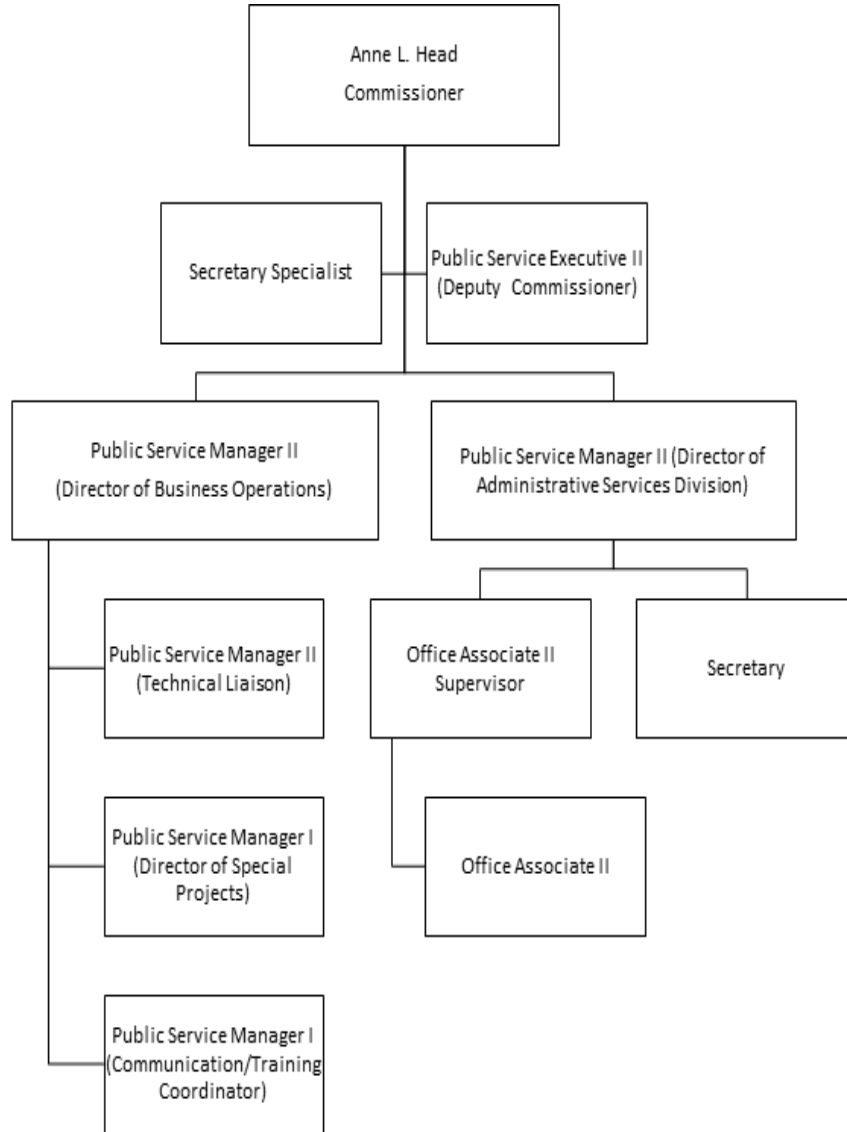
1. Department and ASD - Organizational Chart

DPFR – Organizational Chart

Dept. of Professional
and Financial Regulation
Office of the Commissioner



ASD - Organizational Chart



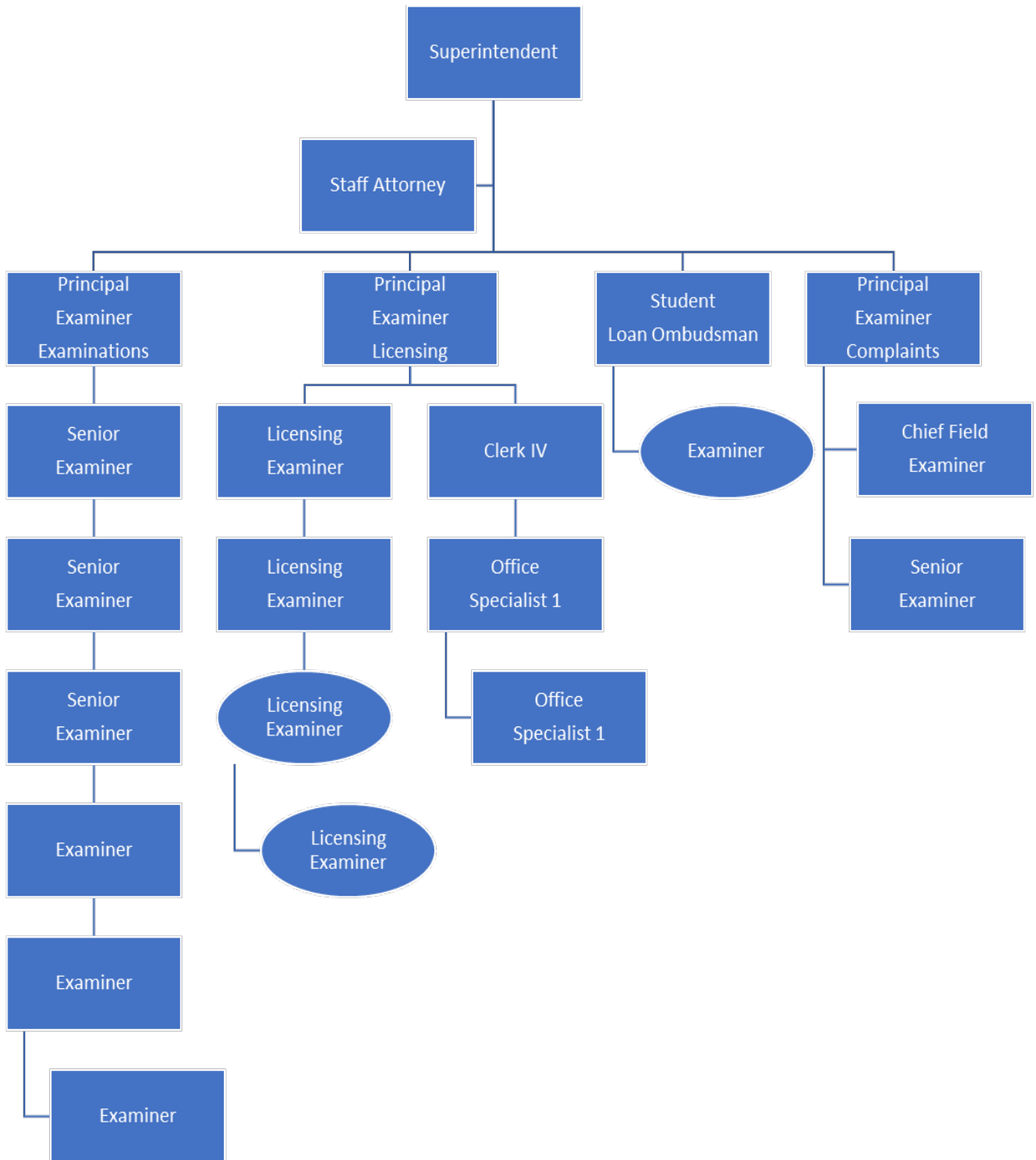
2. ASD – Financial Summary

PROGRAM:	Office of Professional and Occupational Regulation (0352)										
FUNDING SOURCE:	Dedicated Revenue										
	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
OSR	PERSONAL SERVICES	4,041,697	4,209,552	4,383,820	4,347,722	4,408,358	4,500,856	4,668,022	4,762,422	5,259,164	5,454,641
	ALL OTHER	2,033,488	2,050,655	2,107,273	2,111,460	2,177,040	2,130,104	2,130,687	2,140,672	2,555,239	2,662,475
	TOTAL	6,075,185	6,260,207	6,491,093	6,459,182	6,585,398	6,630,960	6,798,709	6,903,094	7,814,403	8,117,116
EXPENDED											
OSR	PERSONAL SERVICES	3,527,898	3,714,189	3,804,680	3,760,086	4,005,042	4,200,254	4,188,487	4,161,546	4,149,342	4,429,835
	ALL OTHER	1,741,727	1,741,515	1,831,729	1,761,226	1,587,993	1,654,766	1,718,629	1,833,865	1,968,559	1,942,808
	TOTAL	5,269,626	5,455,705	5,636,409	5,521,312	5,593,035	5,855,021	5,907,116	5,995,412	6,117,901	6,372,644

ATTACHMENT B
BUREAU OF CONSUMER CREDIT PROTECTION (BCCP)

1. BCCP - Organizational Chart, Organizational Units and Programs
2. BCCP - Financial Summary
3. BCCP - List of Reports, Applications and Other Paperwork
4. BCCP - List of Reports Required by the Legislature
5. BCCP - Licensee Total License and Registration Numbers

1. BCCP - Organizational Chart



2. BCCP - Financial Summaries

PROGRAM: Bureau of Consumer Credit Protection (0091)
 FUNDING: Dedicated Revenue

FISCAL YEAR:		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
01402A009101	PERSONAL SERVICES	911,531	946,009	987,744	984,130	1,189,616	1,219,603	1,373,190	1,399,009	1,820,828	2,055,636
01402A009101	ALL OTHER	143,778	150,142	204,989	150,214	247,612	248,873	558,619	659,739	601,280	610,331
	TOTAL	1,055,309	1,096,151	1,192,733	1,134,344	1,437,228	1,468,476	1,931,809	2,058,748	2,422,108	2,665,967
01402A009103	FP - PERSONAL SERVICES	206,996	218,180	226,901	227,028	118,253	141,011	-	-	-	-
01402A009103	FP - ALL OTHER	774,324	680,540	554,089	554,090	517,308	517,570	-	-	-	-
	TOTAL	981,320	898,720	780,990	781,118	635,561	658,581	-	-	-	-
EXPENDED											
01402A009101	PERSONAL SERVICES	764,092	795,161	983,146	941,760	1,118,471	1,181,923	1,287,654	1,324,080	1,477,555	1,674,529
01402A009101	ALL OTHER	134,562	129,453	161,117	150,694	150,910	175,069	372,814	468,686	301,134	300,308
	TOTAL	898,654	924,614	1,144,263	1,092,454	1,269,381	1,356,992	1,660,469	1,792,765	1,778,689	1,974,836
01402A009103	FP - PERSONAL SERVICES	161,060	174,240	223,191	204,522	113,313	121,367	-	-	-	-
01402A009103	FP - ALL OTHER	868,867	521,136	537,598	506,103	341,990	277,920	67,500	-	-	-
	TOTAL	1,029,927	695,376	760,789	710,625	455,303	399,287	67,500	-	-	-

PROGRAM: Bureau of Consumer Credit Protection - ARPA
 FUNDING SOURCE: Federal Expenditures Fund

PROGRAM: Bureau of Consumer Credit Protection - ARPA
 FUNDING SOURCE: Federal Expenditures Fund

025-02A-Z30101	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED	ALL OTHER							500	50,000,000	47,803,504	
EXPENDED	ALL OTHER								291,755	12,313,191	

3. BCCP - List of Reports Applications and Other Paperwork Required to be Filed with the Agency

4.	List of reports, applications and other paperwork required to be filed with the agency by the public	Statutory requirements for each filing requirement	Date each filing requirement was adopted		Number of filings received annually for last 2 years and number of anticipated for next 2	Actions taken or contemplated to reduce filing requirements
Check Cashers/Foreign Currency Exchangers	Application, Financial Statement, Résumé of applicant and a list of fees charged.	32 MRS §6133	1/31/2000	Annual	8	
Consumer Reporting Agencies	Application and copy of Consumer Disclosure forms	10 MRS §1310-A	1991	Annual	64	Internet only registration process minimizes staff time required. Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.
Debt Collectors	Application, Bond, Financial Statement, Fingerprint card, Charter and By-laws, proof of filing with the Maine Secretary of State if a foreign corporation, Power of Attorney form, Choice of attorney form, Résumé of applicant, a Statement describing the nature of the proposed operations and copies of collection form letters	32 MRS §11031	7/1/1978	Annual	1124	Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.

Debt Management Service Providers	Application, Bond, Sample Contract, Proof of foreign corporation filing with Secretary of State, Schedule of Fees, Counselor Certification, Sample of company's consumer education program, a Sample of Periodic written report issued to consumers and a sample copy of a written contract to be used by the company.	32 MRS §6173	3/15/2000	Annual	40	Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.
Employee Leasing Companies	Application, Evidence of Workman's Compensation Insurance coverage	32 MRS §14051 <i>et seq.</i>	2013	Annual	207	Internet only registration process minimizes staff time required. Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.
Foreclosure Purchasers	Application, Bond, Financial Statement	32 MRS §6191 <i>et seq.</i>	4/11/2008	2 Year Renewal	0	
General Creditors	Application	9-A MRS §6-201	1/1/1975	Annual	311	
Guaranteed Asset Protection Waiver Administrators	Application, Copies of GAP waiver forms	10 M.R.S. §1500-H	1/1/2018	Annual	62	Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.

Insurance Premium Finance Companies	Application, Bond, Financial Statement	9-A MRS §2-302	1975	2 Year Renewal	7	
IRS Code Sec. 1031 Exchange Facilitators	Application, Bond E/O Insurance	10 MRS §1395 <i>et seq.</i>	2009	Annual Renewal	18	
Litigation Funding Companies	Application, Bond and Financial Statement	9-A MRS §12-101 <i>et seq.</i>	1/1/2008	2 Year Renewal	5	
Loan Brokers	Application, Bond, a sample copy of a signed written agreement, written disclosures, list of creditors they represent and resumes of new Principal Officers, and proof of filing with the Maine Secretary of State if they are a foreign corporation	10 MRS §10-201	4/28/1989	Annual	271	Transition to NMLS. This allows a company to enter a singular filing or application when doing business in multiple states.
Loan Servicers	Application	9-A MRS §6-201	9/17/2005	Annual	290	
Manufactured Home Dealers	Application	9-A MRS §6-201	7/1/1986	Annual	7	
Money Transmitters	Application, Bond and Financial Statement, Proof of registration with FinCEN, a sample authorized delegate contract, a sample payment instrument, certificate of good standing from the State of incorporation, and copies of all SEC filings within the past year if applicable.	32 MRS §6103	1/31/2000	Annual	195	Transition to NMLS. This allows a company to enter singular filing or application when doing business in multiple states.
Mortgage Loan Originators	On-line licensing through Nationwide Mortgage Licensing System (NMLS)	9-A MRS §2-302(5-A) (Supervised Lenders) §10-201 (Loan Brokers)	1/1/2005	Annual	16436	Internet only registration process minimizes staff time required
New Car Dealers	Application	9-A MRS §6-201	1/1/1975	Annual	133	
Non-bank ATM operators	Application	32 MRS §6153	1/31/2000	Annual	2345	

NSF Check Diversion Companies	Application, Power of Attorney	32 MRS §11013-A(5) <i>et seq.</i>	9/12/2009	2 Year Renewal	0	
Pawn Brokers	Application	9-A MRS §2-302	10/13/1993	Annual	44	
Payday Lenders	Application, Bond, Financial Statement, Choice of attorney form, Articles of Incorporation or association and by-laws, Résumés of top three principal officers and a Credit Denial form	9-A MRS §2-302	8/23/2006	2 Year Renewal	11	
Payroll Processors	Application, Bond, Copy of charter and by-laws, proof of filing with the Maine Secretary of State if they are a foreign corporation or LLC, and a sample of periodic report.	10 MRS §1495-D	1/31/2005	Annual	397	Transition to NMLS. This allows a company to enter a singular filing or application when doing business in multiple states.
Private Student Lender Registry	Application, sample of written contract(s)	9-A MRS § 15-102	8/18/2021	Annual	2	Internet only registration process minimizes staff time required
Real Estate Settlement Agencies	Application	10 MRS §1400-A <i>et seq.</i>	4/30/2009	Annual	311	
Refund Anticipation Loan Providers	Application, Bond, a sample copy of a signed written agreement, written disclosures, list of creditors they represent and resumes of new Principal Officers, and proof of filing with the Maine Secretary of State if they are a foreign corporation.	10 MRS §10-201	2009	2 Year Renewal	83	
Rent To Own Companies	Application	9-A MRS §11-101 <i>et seq.</i>	9/21/2001	Annual	66	

Repossession Companies	Application, Bond, Fingerprint Card, Financial Statement, Power of Attorney form, Sample of written contract and Résumé of applicant.	32 MRS §11031	7/1/1978	Annual	38	Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.
Residential Real Estate Property Preservation Providers	Application, Bond, Financial Statement, Fingerprint cards, Power of Attorney	32 MRS §11001 <i>et seq.</i>	8/1/2015	Annual	67	Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.
Sales Finance Companies	Application	9-A MRS §6-201	1/1/1975	Annual	338	
Student Loan Servicers	On-line licensing through Nationwide Mortgage Licensing System (NMLS)	9-A MRS §14-107	1/1/2020	Annual	58	Internet only registration process minimizes staff time required
Supervised Lenders	Application, Bond, Financial Statement, Choice of attorney form, Articles of Incorporation or association and By-laws, Résumés of top three principal officers and a Credit Denial Form	9-A MRS §§2-302, 9-201	1/1/1975	Annual	2115	Transition to NMLS. This allows a company to enter a singular filling or application when doing business in multiple states.
Used Car Dealers	Application	9-A MRS §6-201	1/1/1975	Annual	167	

5. BCCP - List of Reports Required by the Legislature

- Truth-in-Lending report, prepared jointly with the Bureau of Financial Institutions, submitted annually to the Consumer Financial Protection Bureau (CFPB).
- Fair Debt Collection Practices Act enforcement update submitted biennially to the federal Consumer Financial Protection Bureau (CFPB), as part of the exemption granted to Maine by the CFPB for administering the state's collection laws.
- Quarterly Reports to the Financial Crime and Enforcement Network (FinCEN) and Internal Revenue Service (IRS) on the Bureau's examination and enforcement activities regarding money service businesses and certain non-bank financial institutions.
- Periodic Foreclosure report submitted quarterly to the Insurance and Financial Services Committee that must include the number of notices received and information on the number of foreclosure filings based on data collected from the court and the Bureau of Financial Institutions, and the types of lenders that are filing foreclosures.
- Semi-Annual Foreclosure Revenue report submitted every six months to the Appropriations and Financial Affairs Committee and Insurance and Financial Services Committee must include revenues and expenditures to operate the foreclosure program.
- Annual Report to the Commissioner of Professional and Financial Regulation on the use of consumer credit in the State and on the problems of persons of small means obtaining credit from persons regularly engaged in extending sales or loan credit.
- Annual report to the Insurance and Financial Services and Education and Cultural Affairs Committees regarding implementation and effectiveness of the Maine Student Loan Bill of Rights, and additional recommended steps for the Department of Professional and Financial Regulation to gain regulatory control over licensing and enforcement with respect to student loan servicers.

6. BCCP - Total License and Registration Numbers

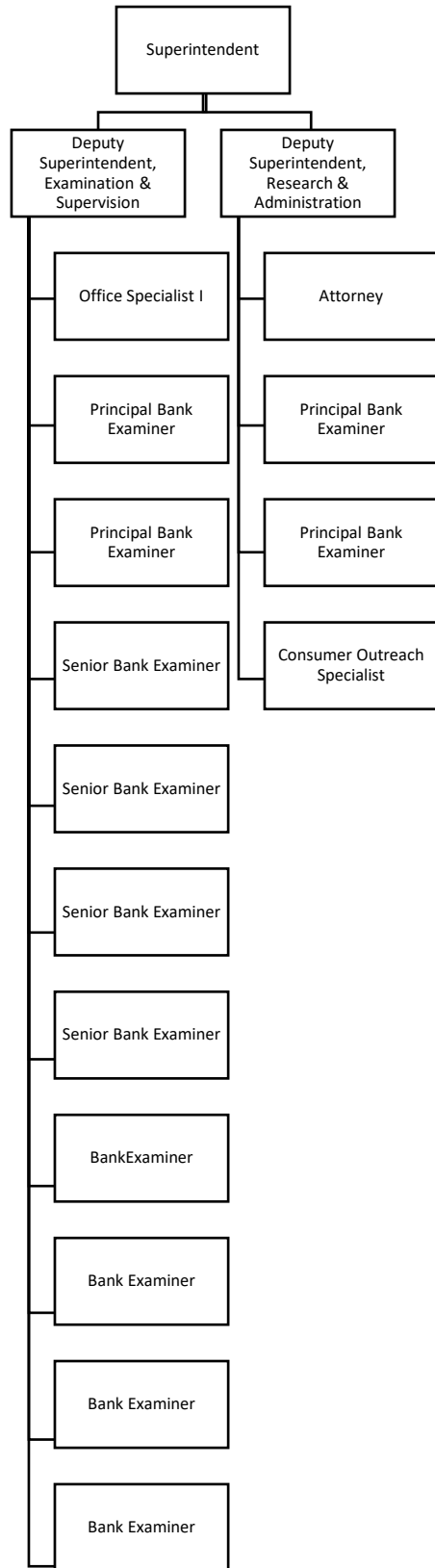
	FY23 Total	FY23 Main	FY23 Branch	FY22 Total	FY21 Total	FY20 Total
ATM Terminals	2244	2244	0	2029	1890	1711
Check Cashers	7	6	1	7	8	9
Check Diversion	0	0	0	0	2	2
Credit Reporting Agencies	57	57	0	49	46	44
Debt Collectors	1095	617	478	1066	1058	1069
Debt Management	35	2	8	37	37	37
Employee Leasing Companies	193	193	0	182	175	160
Exchange Facilitators	15	11	4	14	15	17
Foreclosure Purchasers	0	0	0	0	0	0
General Creditors	242	187	55	258	285	300
Guaranteed Asset Protection	62	62	0	51	48	45
Insurance Premium Finance	7	6	1	6	7	6
Litigation Funding Providers	5	4	1	5	6	6
Loan Brokers	237	190	47	223	202	170
Loan Servicers	263	167	96	250	235	251
Manufactured Housing Dealers	5	5	0	6	7	7
Money Transmitters	202	202	0	158	141	135
Mortgage Loan Originators	14884	14884	0	14641	10385	6584
New Car Dealers	129	112	17	125	128	130
Pawnbrokers	36	36	0	39	43	49
Payday Lenders	10	3	7	11	12	12
Payroll Processors	344	344	0	368	376	374
Property Preservation	65	65	0	63	76	70

Real Estate Settlement Agencies	265	209	56	272	249	245
Refund Anticipation Providers	73	5	68	80	83	82
Rent to own	62	51	11	64	66	73
Repossession Companies	37	36	1	38	42	40
Sales Finance Companies	306	188	118	291	314	301
Student Loan Servicers	61	37	24	55	45	35
Supervised Lenders	2051	519	1532	1816	1453	1354
Used Car Dealers	143	116	27	152	160	177
Total	23135			22356	17594	13495

ATTACHMENT C
BUREAU OF FINANCIAL INSTITUTIONS (BFI)

1. BFI - Organizational Chart
2. BFI - Financial Summary

1. BFI - Organizational Chart



2. BFI - Financial Summary

PROGRAM: **Bureau of Financial Institutions (0093)**

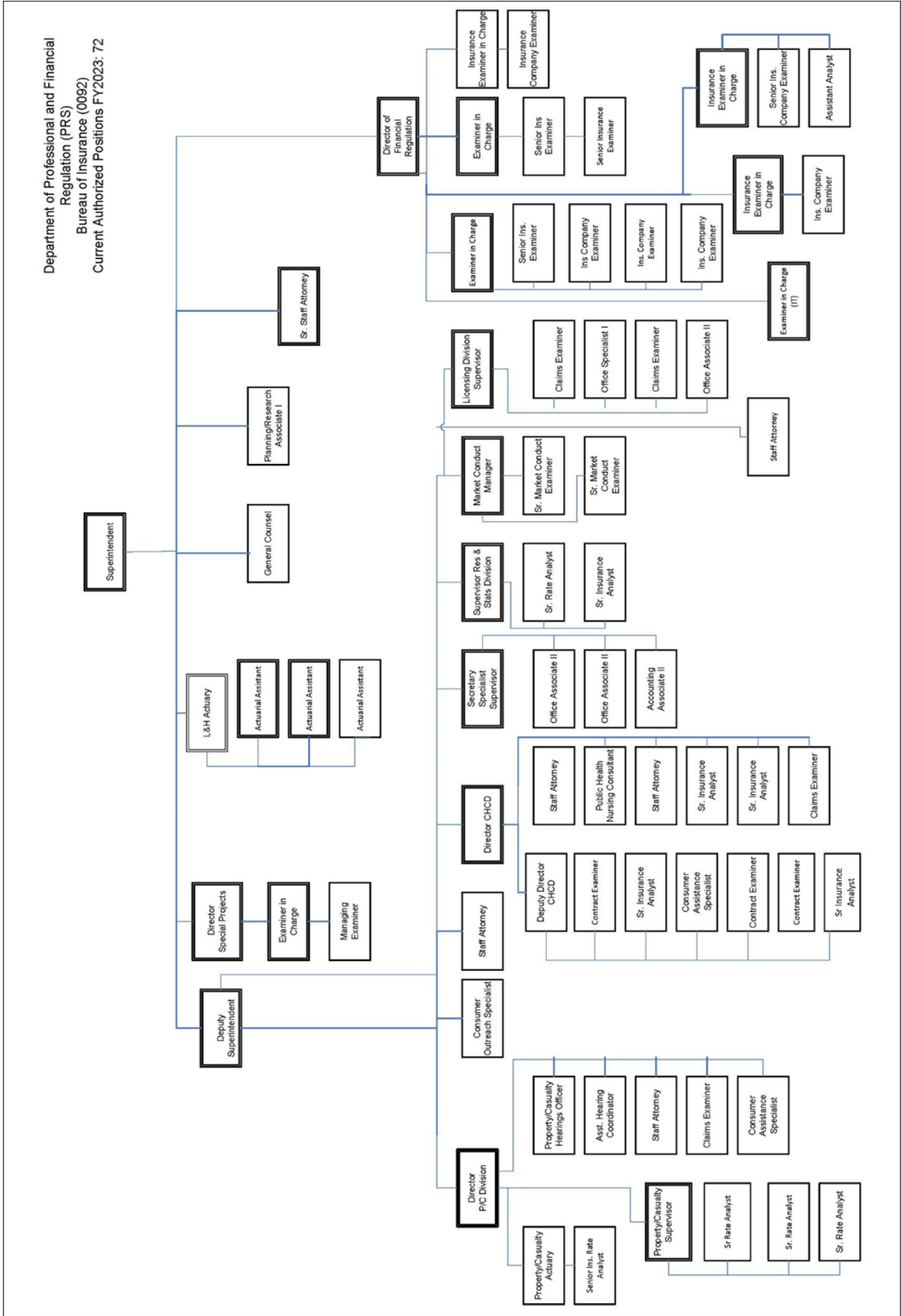
FUNDING SOURCE: **Dedicated Revenue**

	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
	PERSONAL SERVICES	1,554,822	1,687,393	1,882,780	1,784,606	1,849,318	1,883,815	1,919,494	1,947,340	2,022,893	2,059,022
	ALL OTHER	644,153	645,326	646,338	645,359	645,359	645,359	645,359	645,359	645,359	645,359
	TOTAL	2,198,975	2,332,719	2,529,118	2,429,965	2,494,677	2,529,174	2,564,853	2,592,699	2,668,252	2,704,381
EXPENDED											
	PERSONAL SERVICES	1,396,999	1,481,363	1,661,914	1,572,628	1,710,592	1,597,042	1,685,212	1,716,931	1,795,261	1,750,156
	ALL OTHER	335,846	338,745	401,782	401,736	359,484	370,586	347,971	214,117	256,162	241,478
	TOTAL	1,732,845	1,820,108	2,063,695	1,974,364	2,070,075	1,967,628	2,033,183	1,931,048	2,051,422	1,991,634

ATTACHMENT D
BUREAU OF INSURANCE (BOI)

1. BOI - Organizational Chart
2. BOI - Financial Summary
3. BOI - List of Reports, Applications and Other Paperwork

1. BOI - Organizational Chart



2. BOI - Financial Summary

PROGRAM: **Bureau of Insurance (0092)**
 FUNDING SOURCE: **Dedicated Revenue**

	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED - 01402A009201											
	PERSONAL SERVICES	6,097,464	6,375,626	6,613,222	6,564,971	6,587,133	6,746,152	7,192,184	7,321,224	7,660,850	8,055,668
	ALL OTHER	2,087,640	2,830,991	2,483,601	2,326,269	3,406,435	2,914,771	4,346,945	3,145,393	3,777,730	3,802,204
	CAPITAL EXPENDITURES										
	TOTAL	8,185,104	9,206,617	9,096,823	8,891,240	9,993,568	9,660,923	11,539,129	10,466,617	11,438,580	11,857,872
EXPENDED - 01402A009201											
	PERSONAL SERVICES	5,526,941	5,753,517	5,655,730	5,502,994	5,388,122	5,709,985	6,101,045	6,391,389	6,342,785	6,371,919
	ALL OTHER	1,475,014	1,771,739	2,185,592	1,825,929	1,785,414	2,302,316	3,890,406	1,901,394	2,046,517	1,709,142
	CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-	-	-
	TOTAL	7,001,954	7,525,255	7,841,322	7,328,923	7,173,536	8,012,301	9,991,451	8,292,783	8,389,302	8,081,060

PROGRAM: **Bureau of Insurance ARPA**
 FUNDING SOURCE: **Federal Expenditures Fund**

023-02A-009201	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED	ALL OTHER									19,500,000	25,995,414
EXPENDED	ALL OTHER									9,009,419	24,197,462

PROGRAM: **Insurance Regulation Federal Grants (0092)**
 FUNDING SOURCE: **Federal Expenditures Fund**

	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
	PERSONAL SERVICES	-	-	-	-	-	-	-	-	-	-
	ALL OTHER	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	547,901	288,357
	TOTAL	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	547,901	288,357
EXPENDED											
	PERSONAL SERVICES	-	-	-	-	-	-	-	-	-	-
	ALL OTHER	-	-	-	-	-	-	-	-	32,816	276,326
	TOTAL	-	-	-	-	-	-	-	-	32,816	276,326

3. BOI - List of Reports, Applications and Other Paperwork

Filings	Type of Company	How Often	Statutory Ref	Date Requirement		Number Received			
				Adopted or Amended	Paper or	2021	2022	2023	2024
Annual statement w/ exhibits	Domestic insurers, HMOs	Annual	24-A M.R.S. sec. 423	1993	Electronic	19	19	20	20
Quarterly financial statement w/ exhibits	Domestic insurers, HMOs	Quarterly	24-A M.R.S. sec. 423-A	1985	Paper	57	57	60	60
Audited Financial Statements	Domestic insurers, HMOs	Annual	24-A M.R.S. sec. 221-A	2009	Either	19	19	20	20
Audited Financial Statements	Foreign or Alien insurers	upon request	24-A M.R.S. sec. 221-A	2009	Either	0	0	0	0
Disclosure	Health Insurers	Annual	24-A M.R.S. sec. 4336(1)	1999	Either	0	0	0	0
Maine Fraud and Abuse Report	Insurers	Annual	24-A M.R.S.A. § 2186(4)	1997	Electronic	1,400	1,436	1,436	1,436
Liquor Liability Report	P/C Insurer, Surplus Lines Ins.	Annual	28-A M.R.S. § 2517	1987	Electronic	915	946	946	946
Workers Comp Benefits Report	All Workers/Comp writers	Annual	39-A M.R.S. § 358-A	1997	Either	517	520	520	520
Form B Holding Company Registration	Domestic insurers	Annual	24-A M.R.S. § 222	2013	Either	15	15	15	16
Risk Based Capital Report	Domestic insurers	Annual	24-A M.R.S. § 6452	1993	Either	19	19	20	20
Casualty companies)	Domestic insurers	Annual	24-A M.R.S. § 892(2)	1993	Either	11	11	11	12
Form F Enterprise Risk Report	Domestic insurers	Annual	24-A M.R.S. § 852-A	1993	Either	9	9	9	9
Disclosure	Domestic insurers	Annual	24-A M.R.S. § 222(B)-1	2013	Either	6	8	9	9
Group Capital Calculation	Domestic insurers	Annual	24-A M.R.S. § 423-G	2017	Either	10	8	9	9
Own Risk Solvency Assessment	Domestic insurers	Annual	24-A M.R.S. § 222(B)-1	2021	Either	0	0	6	7
Quarterly RMAP Report	Med mal writers	Quarterly	Reg CH. 630 (5)(A)	2013	Either	1	1	2	2
Annual RMAP Report	Med mal writers	Annual	Reg CH. 630 (5)(A)	2014	Either	144	144	148	148
RMAP Assessment Report	Self insured Physicians not filing due in fall as assigned	Annual	Reg CH. 630 (4)(9)	2014	Either	36	36	37	37
Renewal	Workers' Comp. Self-insurer	Annual	39-A M.R.S. sec. 403 and Rule 250	1991	Either	71	68	68	68
Carrier aggregate benefits paid report	Workers Comp Carriers	Annual	26 M.R.S.A. § 61(2)	2013	Electronic	443	452	452	452
Self-insurer aggregate benefits paid report	Workers Comp Self Insurers	Annual	39-A M.R.S.A. § 403(17), 26 M.R.S.A. § 61 (1-A); 39-A M.R.S.A. § 154(5)	1995	Electronic	74	68	68	68
Transactions with affiliates	Domestic insurer	Transactional	24-A M.R.S. § 222(9)	2013	Either	8	5	8	7
Change of control of domestic insurer (Form A)	Acquiring Interest	Transactional	24-A M.R.S.A. § 222	2013	Either	0	0	1	1
Corporate reorganizations inc. mergers, demutualizations,	Domestic insurer	Transactional	24-A M.R.S. ch. 47		Either	0	0	0	0
Annual Report	ME Ins Guaranty Ass'n	Annual	24-A M.R.S. sec. 4445		Either	1	1	1	1
Annual Report	ME Life/Hlth Ins Guaranty Ass'n	Annual	24-A M.R.S. sec. 4615		Either	1	1	1	1
Annual Report	ME Self-ins Guaranty Ass'n	Annual	24-A M.R.S. sec. 404(8)	1991	Either	52	50	50	50
Mandated Benefits	Active Health Insurers	Annual	24 M.R.S.A. §§ 2320-A, 2320-C, 2325-A and 2329; §§ 2745-A(4), 2748(3), 2749-C(4), 2837-C, 2840-A(3), 2842(9) 2843(7), 4222-B(14), 4234-A(10), 4236, 4237, 4237-A	1983 to present	Electronic	462	467	467	467
Credit Insurance	Insurers with Credit Insurance	Annual	24-A M.R.S.A. § 2865	2001	Electronic	32	32	32	32

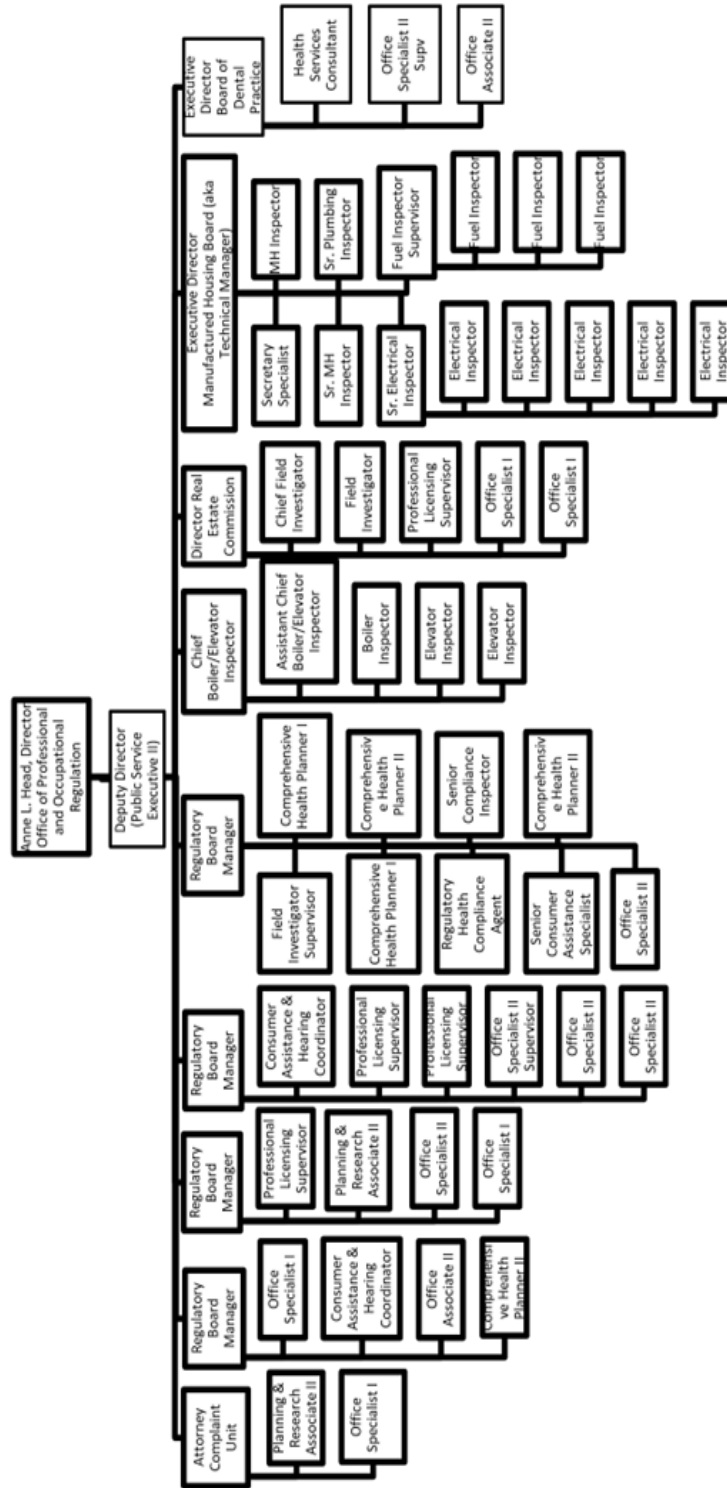
BOI - List of Reports, Applications and Other Paperwork Cont'd

Form and Rate Filings	Type of Licensee	How often	Statutory reference	Paper or	Expected			
					2021	2022	2023	2024
Filing	Life/Health Insurers	Transactional	24-A M.R.S. sec. 2412, 2736, 2808-B et al	electronic	2,498	2,421	2,421	2,421
Rate and Form Filings	Property/casualty insurers	Transactional	24-A M.R.S. sec. 2412 et al	Electronic	2672	2675	2675	2675
License	Med. Util. Review Entity	Initial and Annual Renewal	24-A M.R.S. sec. 2771	Paper	89	93	93	93
Report	Med. Util. Review Entity w/ ME bus.	Annual	24-A M.R.S. sec. 2847	Electronic	not avail	not avail	not avail	not avail
Registration	Preferred Provider Arr. Administrator	Initial and Annual Renewal	24-A M.R.S. sec. 2674-A	Paper	64	64	64	64
License	Viatical & Life Settlement Provider	Initial and Annual Renewal	24-A M.R.S. sec. 6803	Paper	18	18	18	18
Loss Reserve Explanation	Workers' Comp Insurer	Annual	39-A M.R.S. sec. 357(2)	Paper	1	1	1	1
License	Pharmacy Benefit Manager	Every 3 years	24-A M.R.S. sec. 4348	Paper	42	47	47	47

ATTACHMENT E
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION (OPOR)

1. OPOR - Organizational Chart
2. OPOR - Financial Summary
3. OPOR – Total Applications FY 2023
4. OPOR - Active License Counts as of 10/3/2023
5. OPOR—Inactive License Counts as of 10/3/2023

1. OPOR—Organizational Chart



2. OPOR Financial Summary

PROGRAM: Office of Professional and Occupational Regulation (0352)
 FUNDING SOURCE: Dedicated Revenue

	FISCAL YEAR:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
OSR	PERSONAL SERVICES	4,041,697	4,209,552	4,383,820	4,347,722	4,408,358	4,500,856	4,668,022	4,762,422	5,259,164	5,454,641
	ALL OTHER	2,033,488	2,050,655	2,107,273	2,111,460	2,177,040	2,130,104	2,130,687	2,140,672	2,555,239	2,662,475
	TOTAL	6,075,185	6,260,207	6,491,093	6,459,182	6,585,398	6,630,960	6,798,709	6,903,094	7,814,403	8,117,116
EXPENDED											
OSR	PERSONAL SERVICES	3,527,898	3,714,189	3,804,680	3,760,086	4,005,042	4,200,254	4,188,487	4,161,546	4,149,342	4,429,835
	ALL OTHER	1,741,727	1,741,515	1,831,729	1,761,226	1,587,993	1,654,766	1,718,629	1,833,865	1,968,559	1,942,808
	TOTAL	5,269,626	5,455,705	5,636,409	5,521,312	5,593,035	5,855,021	5,907,116	5,995,412	6,117,901	6,372,644

3. OPOR Total Applications FY 2023

3. OPOR Total Applications FY 2023

Accountancy	123
Alcohol & Drug	350
American Sign Language	15
Architects/Land Survey/Intern Design	195
Athletic Trainers	46
Auctioneers	15
Barber Cosmo	2774
Boiler	316
Charitable	1065
Chiro	95
Comp Health	50
Counseling	360

Dietetic	135
Electricians	2879
Elevator	118
Foresters	56
Fuel	1440
Funeral	142
Geologists	12
Land Surveyors	22
Manufactured Housing	107
Massage	342
Nursing Home	76
Occupational Therapy	210
Pharmacy	1753

Physical Therapy	318
Plumbers	693
Podiatric Medicine	6
Psych	56
Rad. Tech	348
Real Estate Appraisers	203
Real Estate Commission	1479
Transient Sales	1258
Respiratory Care	381
Social Work	1180
Speech, Audiology and Hearing	240
Veterinary Board	175

Total Applications FY 2023: 19033

4. OPOR Active License Counts as of 10/3/2023

	% of	Total	Companies	Individuals	Units
ACCOUNTANCY	1.86	2,323	345	1,978	0
ALCOHOL & DRUG COUNSELORS	1.54	1,922	0	1,922	0
AMERICAN SIGN LANG INTERPRETER	0.11	142	0	142	0
ARCHITECT LANDSCAPE/INT DESIGN	1.75	2,186	0	2,186	0
ATHLETIC TRAINERS	0.26	330	0	330	0
AUCTIONEERS	0.15	184	0	184	0
BARBERING AND COSMETOLOGY	13.29	16,593	3,578	13,015	0
BOILER AND PRESSURE VESSEL	1.78	2,225	0	2,225	0
CHARITABLE SOLICITATION	5.06	6,311	6,311	0	0
CHIROPRACTIC	0.49	617	0	617	0
COMPLEMENTARY HEALTH CARE	0.35	436	0	436	0
COUNSELING PROFESSIONALS	1.78	2,224	0	2,224	0
DENTAL PRACTICE	3.51	4,386	0	4,386	0
DIETETIC PRACTICE	0.56	697	0	697	0
ELECTRICIANS	13.85	17,292	0	13,514	3,778
ELEVATOR AND TRAMWAY	3.78	4,717	26	166	4,525
FORESTERS	0.61	765	0	765	0
FUEL	8.69	10,853	435	10,418	0
FUNERAL SERVICES	0.60	745	133	612	0
GEOLOGISTS & SOIL SCIENTISTS	0.22	274	0	274	0
LAND SURVEYORS	0.46	580	0	580	0
MANUFACTURED HOUSING	0.58	730	713	17	0
MASSAGE THERAPY	2.31	2,878	0	2,878	0
NURSING HOME ADMINISTRATORS	0.32	399	0	399	0
OCCUPATIONAL THERAPY	1.61	2,012	0	2,012	0

4. OPOR Active License Counts as of 10/3/2023 (cont.)

		Total	Companies	Individuals	Units
PHARMACY	7.81	9,754	2,221	7,533	0
PHYSICAL THERAPY	2.58	3,216	0	3,216	0
PLUMBERS	3.46	4,316	0	4,316	0
PODIATRIC MEDICINE	0.07	86	0	86	0
PSYCHOLOGISTS	0.61	765	0	765	0
RADIOLOGIC TECHNOLOGY	1.76	2,200	0	2,200	0
REAL ESTATE APPRAISERS	0.63	792	99	693	0
REAL ESTATE COMMISSION	6.76	8,436	1,133	7,303	0
REGULATION OF TRANSIENT SALES	1.44	1,800	87	1,713	0
RESPIRATORY CARE PRACTITIONERS	1.05	1,313	0	1,313	0
SOCIAL WORKERS	5.70	7,111	0	7,111	0
SPEECH, AUDIOLOGY AND HEARING	1.26	1,579	0	1,579	0
VETERINARY MEDICINE	1.33	1,656	0	1,656	0
Grand Total		124,845	15,081	101,461	8,303

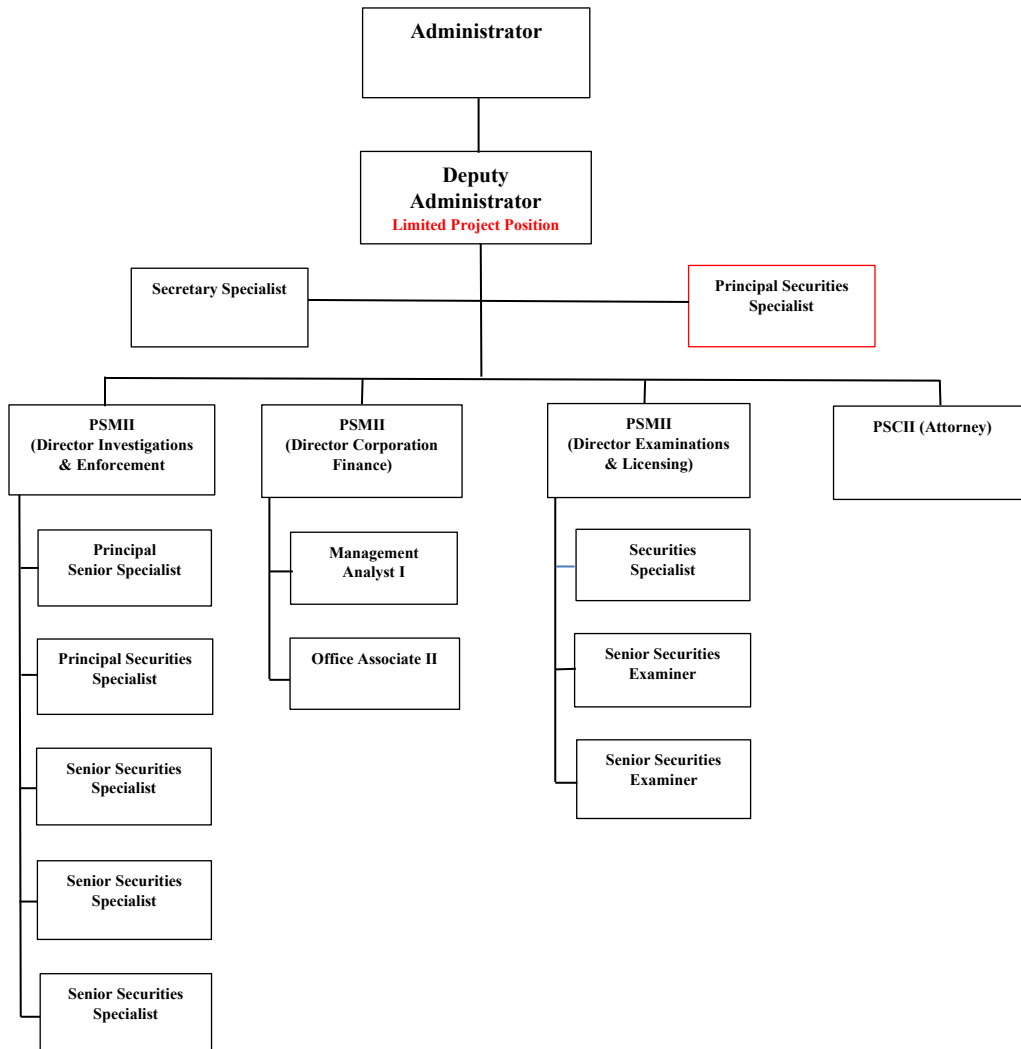
5. OPOR Inactive License Counts as of 10/3/2023

	% of	Total	Individuals	Units
ALCOHOL & DRUG COUNSELORS	1.96	87	87	0
BOILER AND PRESSURE VESSEL	75.10	3,326	0	3,326
COUNSELING PROFESSIONALS	0.68	30	30	0
DENTAL PRACTICE	1.99	88	88	0
ELEVATOR AND TRAMWAY	4.22	187	0	187
FUNERAL SERVICES	0.16	7	7	0
PHARMACY	4.63	205	205	0
REAL ESTATE COMMISSION	7.36	326	326	0
SOCIAL WORKERS	3.59	159	159	0
SPEECH, AUDIOLOGY AND HEARING	0.32	14	14	0
Grand Total		4,429	916	3,513

ATTACHMENT F
OFFICE OF SECURITIES (OOS)

1. OOS - Organizational Chart
2. OOS - Financial Summary
3. OOS - List of Reports, Applications and Other Paperwork

1. OOS - Organizational Chart



2. OOS - Financials

PROGRAM: Office of Securities (0943)
 FUNDING SOURCE: Dedicated Revenue

FISCAL YEAR:		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
01402A094301	PERSONAL SERVICES	1,209,847	1,360,674	1,475,399	1,488,157	1,545,793	1,571,067	1,621,821	1,730,874	1,747,761	1,765,975
01402A094301	ALL OTHER	366,488	369,212	372,035	372,519	417,929	407,361	520,227	457,967	470,831	506,014
	TOTAL	1,576,335	1,729,886	1,847,434	1,860,676	1,963,722	1,978,428	2,142,048	2,188,841	2,218,592	2,271,989
01402A094302	INVESTOR EDUCATION - ALL OTHER	80,000	80,000	80,000	80,000	50,000	50,000	50,000	50,000	101,133	101,133
01402AZ35201	RAF - ALL OTHER										882,000
EXPENDED											
01402A094301	PERSONAL SERVICES	1,195,662	1,232,699	1,461,777	1,456,124	1,469,124	1,529,058	1,609,447	1,716,088	1,441,000	1,400,050
01402A094301	ALL OTHER	269,656	274,739	260,079	313,027	267,501	370,733	493,964	444,254	379,171	403,618
	TOTAL	1,465,318	1,507,438	1,721,855	1,769,152	1,736,626	1,899,791	2,103,411	2,160,342	1,820,171	1,803,668
01402A094302	INVESTOR EDUCATION - ALL OTHER	12,965	12,093	4,958	18,503	10,795	11,155	243,044	128,855	1	47,377
01402AZ35201	RAF - ALL OTHER	-	-	-	-	-	-	-	-	-	-

PROGRAM: Securities Regulation Federal Grants
 FUNDING SOURCE: Federal Expenditures Fund

FISCAL YEAR:		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ALLOCATED											
	PERSONAL SERVICES	-	-	-	-	-	-	-	-	-	-
	ALL OTHER	10,113	10,113	10,113	10,113	10,113	10,113	10,113	10,113	10,113	10,113
	TOTAL	10,113	10,113	10,113	10,113	10,113	10,113	10,113	10,113	10,113	10,113
EXPENDED											
	PERSONAL SERVICES	-	-	-	-	-	-	-	-	-	-
	ALL OTHER	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-	-	-

3. OOS - Lists of Reports, Applications and Other Paperwork

I. Securities registration requirements

A. Applications to Register Securities

1) Securities Registration by Coordination

These are securities registration filings made by issuers offering their securities in Maine who are also registering their securities with the U.S. Securities and Exchange Commission (“SEC”).

- a) Statutory authority
32 M.R.S.A. §16303
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Prior to any offer of the securities in Maine. The registration is effective for one year from the date it is declared effective. If the offering lasts longer than one year, the issuer must file a renewal application.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 166
 - FY2023 – 145
 - FY2024 – 160
 - FY2025 – 165
- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Maine Office of Securities (the “Office”) requires the filing of the registration statement filed with the SEC, a uniform application to register securities, a consent to service of process, and a fee of \$1,000 for each type or class of security offered in Maine. Filing requirements have been reduced to require only the registration statement filed federally. The Office requests other documents only as needed during its review, many of which are available electronically from the SEC.

2) Securities Registration by Qualification

These are securities registration filings made by issuers offering their securities in Maine.

- a) Statutory authority
32 M.R.S.A. §16304
- b) Date adopted or last amended March 2, 2014
- c) Frequency
Prior to any offer of the securities in Maine. The registration is effective for one year from the date it is declared effective. If the offering lasts longer than one

year, the issuer must file a renewal application.

- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

FY2022 – 0

FY2023 – 0

FY2024 – 0

FY2025 – 0

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Office requires the filing of a registration statement, a uniform application to register securities, a consent to service of process, and a fee of \$1,000 for each type or class of security offered in Maine. If the total amount of proceeds that the issuer is raising in state and out of state does not exceed \$1 million, the filing fee is \$300 for each type or class of security offered in Maine.

The contents of the registration statement are specified in 32 M.R.S.A

§16304(2). The Office has adopted simplified registration statements for use by issuers raising less than \$1 million pursuant to 32 M.R.S.A. §§ 16304(6) and 16304(6-A).

The information required is comprehensive because, once the Office registers the offering, the registration statement becomes the offering document. Full disclosure is the hallmark of securities registration so investors can make informed decisions.

B. Filings for Exemptions from Registration

1) **Limited Private Offering Exemption**

These are exemption filings made by issuers organized under the laws of Maine or by issuers that the Administrator determines by order have their principal places of business in Maine.

- a) Statutory authority
M.R.S.A. §16202(15)
- b) Date adopted or last amended
March 20, 2007
- c) Frequency
The issuer files a notification of exemption before making the offering.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

FY2022 – 2

FY2023 – 1

FY2024 – 2

FY2025 – 2

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

This exemption is for small Maine issuers that are not selling to more than 25 purchasers in Maine and are not making a public solicitation of their offerings. The issuers must believe that the purchasers are purchasing for investment, and they must give a copy of the notification to each offeree. The notification contains important information about the issuer and the offering to help investors make informed decisions.

2) **Viatical or Life Settlement Contracts**

These are exemption filings made for offers of investments in viatical or life settlement contracts.

- a) Statutory authority
32 M.R.S.A. §16202(25)
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
The issuer files a notice specifying the terms of the offer prior to any offer in Maine.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 0
 - FY2023 – 0
 - FY2024 – 0
 - FY2025 – 0
- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

There has been a history of abusive sales practices by issuers who offer investments in viatical settlement contracts. This filing requirement provides the Office with information about issuers offering these types of investments in Maine. Issuers that comply with the requirements of the exemption are not required to register their securities in Maine, reducing paperwork.

The underlying viatical or life settlement transaction with the viator cannot violate the Viatical and Life Settlements Act. The Administrator requires that specific disclosure documents are given to each offeree or purchaser.

We require a notice specifying the terms of the offer, a consent to service of process, and a fee of \$300 for each type or class of security sold.

The Administrator has five full business days to disallow the exemption.

3) **Nonpublic offerings exempt under §4(2) of the U.S. Securities Act of 1933**

These are notice filings made by issuers offering their securities in private placements exempt from registration under §4(2) of the U.S. Securities Act of 1933.

- a) Statutory authority
32 M.R.S.A. §16202(26)
- b) Date adopted or last amended
July 12, 2010

- c) Frequency
15 days after the first sale of an offering is made in Maine.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 0
 - FY2023 – 0
 - FY2024 – 0
 - FY2025 – 0

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

These securities are exempt from federal registration, but the issuer must file “Form D” with the SEC. The Form D contains limited information about the issuer and the security.

The Office requires issuers to submit a copy of the Form D, a consent to service of process, and a fee of \$300 for each type or class of security sold.

The Office has begun accepting electronic Form D filings through the North American Securities Administrators Association’s (NASAA) Electronic Filing Depository (EFD), an internet-accessible database that allows issuers to submit a Form D to multiple states electronically.

4) Exemption for Offers and Sales to Accredited Investors

These are notice filings made by issuers offering and selling their securities to accredited investors as defined by the SEC.

- a) Statutory authority
32 M.R.S.A. §16203
Implemented by Rule Chapter 537
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
15 days after the first sale of an offering is made in Maine.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 0
 - FY2023 – 1
 - FY2024 – 1
 - FY2025 – 1

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

This exemption is contained in Rule Chapter 537 and was originally adopted in 1998 to provide an exemption from securities registration to issuers who offer and sell securities only to accredited investors. The goal of the Office was to provide a coordinated exemption for these issuers on both the federal and the state level.

An issuer that complies with the exemption is allowed to make a general public

announcement of the offering that contains specified information.

The Office requires a minimal filing – a notice of transaction on the Model Accredited Investor Exemption Uniform Notice of Transaction, a consent to service of process, and a fee of \$300 for each type or class of security sold. The Notice of Transaction Form is a uniform form developed by NASAA for use by all states that adopt this exemption.

C. Notice Filings for Offerings of Federal Covered Securities

1) **Notice Filings for Federal Covered Securities**

These are notice filings made by investment companies to indicate they are offering their securities in Maine. The most common type of investment company is a mutual fund.

a) Statutory authority

32 M.R.S.A. §§ 16302(1) and (2)

b) Date adopted or last amended

December 31, 2005

c) Frequency

Annually

d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

FY2022 – 24,107

FY2023 – 24,232

FY2024 – 24,500

FY2025 – 24,700

e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

A federal law enacted in 1996 preempts states from regulating federally registered investment companies. As a permitted notice filing, the Office requires the submission of a uniform investment company notice filing form, a consent to service of process, and a fee of \$1,000 for each type of class of security offered in Maine.

Seventy percent of these filings and the accompanying fees are now received electronically. The Office encourages electronic filing; thus, the number filed electronically is expected to increase.

2) **Federal Covered Securities Regulation D**

These are notice filings made by issuers offering their securities in private placements or to accredited investors under an exemption from federal registration under Rule 506 of Regulation D.

a) Statutory authority

32 M.R.S.A. § 16302(3)

b) Date adopted or last amended

July 12, 2010

- c) Frequency
15 days after the first sale is made in Maine
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

- FY2022 – 756
- FY2023 – 522
- FY2024 – 650
- FY2025 – 700

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

A federal law enacted in 1996 preempts states from most regulation of securities offered under this federal rule. The Office requires a notice filing on Form D (the form required to be filed with the SEC), a consent to service of process, and a fee of \$300 for each type or class of security sold.

The Office has begun accepting electronic Form D filings through NASAA's EFD, an internet-accessible database that allows issuers to submit a Form D to multiple states electronically.

D. Applications for Licensing Requirements

1) **Broker-Dealer Applications**

- a) Statutory authority
32 M.R.S.A. §§ 16401 and 16406
Implemented by Rule Chapter 504, Section 3
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Annually, with renewal filing made by December 31 of each year
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

- FY2022 – 126 initial applications; 1,346 renewals
- FY2023 – 100 initial applications; 1,361 renewals
- FY2024 – 113 initial applications; 1,391 renewals
- FY2025 – 119 initial applications; 1,413 renewals

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Office receives virtually all of its initial and renewal license applications electronically through a computerized license system used by state securities regulators, the SEC, and FINRA. State securities regulators, the SEC, and FINRA require applicants to file uniform application forms that can be entered into

the system electronically by the applicant. FINRA collects all licensing fees and forwards them electronically to the Office.

2) Agent Applications

- a) Statutory authority
32 M.R.S.A. §§ 16402 and 16406
Implemented by Rule Chapter 504, Section 3
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Annually, with renewal filing made by December 31 of each year.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 3,554 initial applications; 146,162 renewals
 - FY2023 – 3,497 initial applications; 144,825 renewals
 - FY2024 – 2,525 initial applications; 153,510 renewals
 - FY2025 – 2,983 initial applications; 149,836 renewals
- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Office receives virtually all of its initial and renewal license applications electronically through a computerized license system used by state securities regulators, the SEC, and FINRA. State securities regulators, the SEC, and FINRA require applicants to file uniform application forms that can be entered into the system electronically by the applicant. FINRA collects all licensing fees and forwards them electronically to the Office.

3) Investment Advisers

- a) Statutory authority
32 M.R.S.A. §§16403 and 16406
Implemented by Rule Chapter 515, Section 3
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Annually, with renewal filing made by December 31 of each year.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 18 initial applications; 1,240 renewals
 - FY2023 – 15 initial applications; 1,326 renewals
 - FY2024 – 17 initial applications; 1,369 renewals
 - FY2025 – 17 initial applications; 1,404 renewals

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Office receives virtually all of its initial and renewal license applications electronically through a computerized license system used by regulators, the SEC, and FINRA require applicants to file uniform application forms that can be entered into the system electronically by the applicant. FINRA collects all licensing fees and forwards them electronically to the Office.

4) **Investment Adviser Representatives**

- a) Statutory authority
32 M.R.S.A. §§16404 and 16406
Implemented by Rule Chapter 515, Section 4
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Annually, with renewal filing made by December 31 of each year.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

FY2022 – 483 initial applications; 2,848 renewals

FY2023 – 422 initial applications; 2,413 renewals

FY2024 – 452 initial applications; 2,754 renewals

FY2025 – 467 initial applications; 2,924 renewals

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Office receives virtually all of its initial and renewal license applications electronically through a computerized license system used by state securities regulators, the SEC, and FINRA. State securities regulators, the SEC and FINRA require applicants to file uniform application forms that can be entered into the system electronically by the applicant. FINRA collects all licensing fees and forwards them electronically to the Office.

5) **Branch Offices**

- a) Statutory authority
32 M.R.S.A. §§16410 (F)
Implemented by Rule Chapter 504, Section 3(5) and Rule Chapter 515, Section 3(5)
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Annually, with renewal filing made by December 31 of each year.

- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

FY2022 – 53 initial applications; 652 renewals

FY2023 – 64 initial applications; 562 renewals

FY2024 – 53 initial applications; 498 renewals

FY2025 – 52 initial applications; 597 renewals

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

The Office receives virtually all of its initial and renewal license applications electronically through a computerized license system used by state securities regulators, the SEC, and FINRA. State securities regulators, the SEC and FINRA require applicants to file uniform application forms that can be entered into the system electronically by the applicant. FINRA collects all licensing fees and forwards them electronically to the Office.

E. Notice Filings

1) Investment Advisers

- a) Statutory authority
32 M.R.S.A. §§16410 (F)
Implemented by Rule Chapter 515, Section 5
- b) Date adopted or last amended
December 31, 2005
- c) Frequency
Annually, with renewal filing made by December 31 of each year
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:

FY2022 – 169 initial notice filings; 1,130 renewals

FY2023 – 125 initial notice filings; 1,213 renewals

FY2024 – 147 initial notice filings; 1,171 renewals

FY2025 – 180 initial notice filings; 1,150 renewals

- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

A federal law enacted in 1996 preempts states from licensing investment advisers registered with the SEC. As a general rule, an investment adviser may only register with the SEC if it has assets under management of not less than \$100 million. The Office is permitted to require notice filings from investment advisers who are registered with the SEC and either (a) have a place of business in Maine or (b) do not have a place of business in Maine but had more than five clients in Maine during the preceding 12 months. The Office may require the filing of documents filed with the SEC solely for notice purposes, together with a consent to service of process and a fee.

The Office receives virtually all of its initial and renewal license applications electronically through a computerized license system used by state securities

regulators, the SEC, and FINRA, including notice filings from federal covered investment advisers. State securities regulators, the SEC, and FINRA require applicants to file uniform application forms that can be entered into the system electronically by the applicant. FINRA collects all licensing fees and forwards them electronically to the Office.

2) **Registration of Sellers of Business Opportunities**

- a) Statutory authority
32 M.R.S.A. §§4696 and 4697
- b) Date adopted or last amended
§4696 – September 30, 1989
§4697 – October 9, 1991
- c) Frequency
Prior to offering, selling, advertising, or promoting the business opportunity in Maine. The registration is effective for one year commencing on the date of effectiveness. The seller may annually renew the registration. Failure to renew results in expiration of the registration. Seller is required to update its disclosure document as material information changes.
- d) Number received annually for last 2 years and anticipated to be received annually for next 2 years:
 - FY2022 – 18 (11 registrations, 7 renewals)
 - FY2023 – 14 (6 registrations, 8 renewals)
 - FY2024 – 15
 - FY2025 – 15
- e) Actions taken or contemplated to reduce filing requirements and paperwork duplication.

A seller is required to file copy of a disclosure document that must be provided to offerees and provides evidence of a \$30,000 bond or establishment of \$30,000 escrow account.

ATTACHMENT G
DPFR POLICY ON COLLECTING, MANAGING
AND
USING PERSONAL INFORMATION

Agencies within the Department of Professional and Financial Regulation collect personal information in a variety of ways. For purposes of this policy, "personal information" includes but is not limited to address, telephone number, and financial and medical information. Social Security Numbers and personal information are collected on license applications and during complaint investigations and compliance examinations.

The Department maintains a policy to raise awareness among employees about the proper use of Social Security Numbers and personal information. The policy is intended to prevent the indiscriminate release of such personal information and to establish a procedure to assure that public and Freedom of Access (FOAA) requests are made and responded to in accordance with the law.

The Department's policy is important for several reasons. Maine law provides that information in the State's possession is generally available to the public unless it is deemed confidential by statute. The Department now provides more information to the public online in response to public demand. Increased attention and concern are being focused at the state and national level on issues of privacy and access to sensitive, personal information.

Department of Professional and Financial Regulation Policy

- PFR employees should not disclose or release Social Security Numbers contained in agency files. PFR employees receive frequent requests for copies of license applications and lists of licensees. Employees should redact all Social Security Numbers before sending out documents responsive to these requests.
- Each agency should designate an attorney or manager responsible for processing and responding to requests for personal information, including FOAA requests. If a PFR employee receives a request from the public to review or copy documents containing personal information, the employee shall ask that the request be in writing. In addition, all responses to such requests shall be reviewed by the designated attorney or manager.

- In processing a public or FOAA request, each agency should redact information protected by statute. In addition, the agency should determine whether the request can be responded to without supplying other personal information. Each agency may have specific information which is protected by law or regulation.
- When posting information on PFR's website, agencies should *not* post personal information, such as home addresses and telephone numbers. An exception to this rule would be in cases in which such information is directly applicable to a licensee's business, such as when a home address is also a business address, or a home telephone number is also a business telephone number. Under no circumstances should social security numbers be posted.
- Each agency should use its best efforts when collecting information to provide notice regarding whether the information will be treated as public or confidential information.