

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

FIRST REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 1999

MEMBERS:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass.

Sen. I. Joel Abromson

Rep. Jane W. Saxl, Chair

Rep. Christopher P. O'Neil

Rep. Joseph C. Perry

Rep. Benjamin F. Dudley

Rep. John G. Richardson, Jr.

Rep. Nancy B. Sullivan.

Rep. Arthur F. Mayo III

Rep. Sumner A. Jones, Jr.

Rep. Kevin J. Glynn

Rep. Robert W. Nutting

Staff:

Colleen McCarthy Reid, Legislative Analyst

Office of Policy and Legal Analysis

Room 101/107/135, 13 State House Station

Augusta, ME 04333

(207)287-1670



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

ONE HUNDRED NINETEENTH LEGISLATURE
FIRST REGULAR SESSION

Summary Of Legislation Before The Joint Standing and Select Committees
August 1999

We are pleased to provide this summary of all bills that were considered by the Joint Standing and Select Committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing and select committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CARRIED OVER.....Bill carried over to Second Regular Session
CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE.....Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES.....House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT.....Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
ENACTMENT FAILED..... Bill failed to get vote required for enactment or final passage
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP.....Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED.....Bill held by Governor
VETO SUSTAINED.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 18, 1999.

LD 824

An Act Regarding Civil Actions Involving Insurance Coverage

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| SAVAGE W | ONTP MAJ OTP-AM MIN | |

LD 824 proposed to require insurers to pay costs and reasonable attorney's fees to the insured in any civil action to determine coverage under an insurance policy when the insurer loses the suit. The bill also proposed to require that insurers have the burden of proof in any action to determine coverage of a liability insurance policy regardless of whenever the insurer or an insured or claimant institutes the action.

Committee Amendment "A" (H-189) was the minority report of the committee and proposed to replace the bill. It proposed to clarify that the bill applies only to declaratory judgment actions to determine an insurer's contractual duty to defend an insured. It proposed to define an insured as a natural person and exclude corporations, trusts, partnerships, incorporated or unincorporated associations and other legal entities from the definition of an insured. It proposed to clarify the intent that no right or cause of action is created or extended to third-party claimants under an insurance policy and that insureds are not permitted to assign any rights under a policy to any other person. The amendment also proposed to exempt life, health, disability and workers' compensation insurance. Committee Amendment "A" was not adopted.

LD 831

An Act to Limit the Maximum Finance Charge to 10.5%

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| GOODWIN | ONTP | |

LD 831 proposed to limit the interest that may be charged on consumer credit transactions to 10.5%.

LD 833

An Act to Decrease the Required Minimum Amounts of Liability Insurance Coverage for Motor Vehicles

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|--------------------|-------------------------|---------------------------|
| MENDROS BENNETT | ONTP MAJ OTP MIN | |

LD 833 proposed to decrease the required minimum amounts of automobile liability insurance coverage.

LD 834

An Act to Provide Insurance Coverage for Wigs Required for Medical Reasons

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| O'BRIEN L | ONTP | |

LD 834 proposed to require individual and group health insurance policies and health maintenance organization contracts to cover the purchase of a wig or hairpiece when the purchase is made to cover baldness or thin hair resulting