

# MAINE STATE LEGISLATURE

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*State Of Maine  
121st Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Insurance and Financial Services*

*July 2003*

**Members:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Neria R. Douglass*

*Sen. Arthur F. Mayo III*

*Rep. Christopher P. O'Neil, Chair*

*Rep. Marilyn E. Canavan*

*Rep. Joseph C. Perry*

*Rep. Bonita J. Breault*

*Rep. Anne C. Perry*

*Rep. Kevin J. Glynn*

*Rep. Florence T. Young*

*Rep. Lois A. Snowe-Mello*

*Rep. Michael A. Vaughan*

*Rep. Richard G. Woodbury*

**Staff:**

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*13 State House Station*

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# Maine State Legislature



## Office Of Policy And Legal Analysis Office Of Fiscal And Program Review

### 121st Maine Legislature First Regular Session

#### Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint 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 committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name 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](http://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:

<i>CARRIED OVER PURSUANT TO HP 1212</i> .....	<i>Bills carried over to the 2<sup>nd</sup> Regular Session</i>
<i>CON RES XXX</i> .....	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i> .....	<i>House &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i> .....	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i> .....	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i> .....	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i> .....	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i> .....	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i> .....	<i>Ought Not To Pass report accepted</i>
<i>OTP-ND</i> .....	<i>Committee report Ought To Pass In New Draft</i>
<i>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PASSED</i> .....	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i> .....	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i> .....	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i> .....	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's Veto</i>

Please note that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

**David C. Elliott, Director**  
Offices located in Room 215 of the Cross Office Building

*Joint Standing Committee on Insurance and Financial Services*

**LD 161**                      **An Act to Allow Certain Discounts on Health Insurance**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN O'NEIL	ONTP	

LD 161 proposed to allow health insurance carriers to offer additional discounts up to 20% based on an individual's weight or adherence to a recommended schedule for regular physicals for individual and small group health insurance policies.

**LD 171**                      **An Act To Clarify the Authority of the Superintendent of Financial Institutions Regarding a Credit Union's Conversion of Its Field of Membership**                      **PUBLIC 36**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUPLESSIE	OTP-AM	H-31

LD 171 proposed to require the Superintendent of Financial Institutions to establish criteria by rule under which a credit union that converts its field of membership to become a community-chartered credit union may retain in its field of membership one or more groups or portions of groups that were included in the credit union's field of membership prior to the conversion.

**Committee Amendment "A" (H-31)** proposed to clarify the authority of the Superintendent of Financial Institutions to permit a credit union with an employer-based field of membership to convert its field of membership to a community-based field of membership and to retain one or more employer groups or portions of groups that were included in its field of membership prior to the conversion.

***Enacted Law Summary***

Public Law 2003, chapter 36 clarifies the authority of the Superintendent of Financial Institutions to permit a credit union with an employer-based field of membership to convert its field of membership to a community-based field of membership and to retain one or more employer groups or portions of groups that were included in its field of membership prior to the conversion.

**LD 213**                      **An Act To Assist Maine's Infertile Citizens**                      **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARRACHE DOUGLASS		

LD 213 proposes to require group health insurance policies, contracts and certificates to include coverage for infertility treatment if pregnancy-related benefits are provided. It would apply to all group policies issued or renewed on or after January 1, 2004.

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

As required by Title 24-A Maine Revised Statutes Section 2752, the Joint Standing Committee on Insurance and Financial Services has requested that a review and evaluation of the proposed mandated health insurance benefit for infertility treatment included in the bill be completed by the Bureau of Insurance over the interim. LD 213 has been carried over to the Second Regular Session.

**LD 291**                      **An Act To Provide Parity in Lending by State-chartered Lenders**                      **PUBLIC 100**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL MAYO	OTP-AM	H-32

Under current law, state-chartered lenders can assess fees on delinquent accounts only if the delinquent account is precomputed with respect to interest, is a consumer lease or credit card account or is a fixed rate, closed-end mortgage. LD 291 proposed to permit Maine lenders to assess late fees for all consumer credit transactions, subject to the restrictions as set forth in the Maine Revised Statutes, Title 9-A, section 2-502, to place them on a more equal footing with out-of-state lenders.

**Committee Amendment "A" (H-32)** proposed to remove a section of the bill related to statutorily-permitted finance charges and to retain the provision of law allowing a late or delinquency charge to be assessed on a consumer credit transaction.

### ***Enacted Law Summary***

Public Law 2003, chapter 100 permits Maine lenders to assess late fees on delinquent accounts for all consumer credit transactions. Pursuant to Maine Revised Statutes, Title 9-A, section 2-502, the late fees may not be assessed until after a 15-day grace period has expired and may not exceed the greater of \$10 or the deferral charge permitted to defer the unpaid amount of any installment during the delinquency period.

**LD 294**                      **An Act to Ensure that Property or Casualty Insurance Companies Can Not Deny Policy Owners Who have Foster Children in Their Care**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BUNKER STANLEY	ONTP	

LD 294 proposed to prohibit property and casualty insurers from refusing to insure, restricting the amount of coverage available or charging different premiums solely because the insured is a foster parent.