

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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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).

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 2nd 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 & 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&S XXX</i>	<i>Chapter # of enacted Private & 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

maximum number of days for decisions on appeals of adverse decisions at 60 days. Committee Amendment "B" was not adopted.

Enacted Law Summary

Public Law 2003, chapter 309 allows a group health plan sponsored by an agricultural cooperative association located outside of Maine that provides coverage to members of agricultural cooperative associations located within this State to employ an internal grievance procedure that meets the requirements of the state in which the plan's insurer is located as long as enrollees living in this State are provided with an independent external review of any adverse health care decision in accordance with the State's requirements.

Public Law 2003, chapter 309 was enacted as an emergency measure effective May 27, 2003.

LD 494

An Act To Enhance Consumer Protections in Relation to Certain Mortgages

PUBLIC 49

<u>Sponsor(s)</u> O'NEIL		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-53
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LD 494 proposed to amend the law related to the provision of high-rate, high-fee mortgages. This bill enhances consumer protection and regulatory oversight and preserves the availability of such mortgages in the marketplace.

Committee Amendment "A" (H-53) proposed to do the following.

1. It makes technical changes in the bill to reflect the appropriate terms used in the Maine Consumer Credit Code.
2. It clarifies the concurrent jurisdiction of the Department of Professional and Financial Regulation, Bureau of Financial Institutions with regard to high-rate, high-fee mortgages sold by banks, credit unions and other financial institutions.
3. It extends the provision related to fees charged in association with refinancing loans made within an 18-month period.
4. It limits the provision preempting actions by municipalities to actions related to high-rate, high-fee mortgages.

Enacted Law Summary

Public Law 2003, chapter 49 amends the law related to the provision of high-rate, high-fee mortgages. The law prohibits high-rate, high-fee mortgages from charging default charges in excess of 5% of the default amount and limits the fees that may be charged during multiple refinancings, deferrals and extensions of these mortgages. The law also clarifies the concurrent jurisdiction of the Bureau of Financial Institutions and the Office of Consumer Credit Regulation over high-rate, high-fee mortgages depending on the type of entity responsible for selling the mortgage.