

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND
FINANCIAL SERVICES**

July 2007

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STATE OF MAINE

123RD LEGISLATURE

FIRST REGULAR SESSION

LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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:

| | |
|-----------------------------------------------|-------------------------------------------------------------------------|
| 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 |
| FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... | Emergency bill failed to get 2/3 vote |
| FAILED ENACTMENT/FINAL PASSAGE..... | Bill failed to get majority vote |
| FAILED MANDATE ENACTMENT..... | Bill imposing local mandate failed to get 2/3 vote |
| NOT PROPERLY BEFORE THE BODY..... | Ruled out of order by the presiding officers; bill died |
| INDEF PP..... | Bill Indefinitely Postponed |
| ONTP (or Accepted ONTP report)..... | Ought Not To Pass report accepted |
| OTP-ND..... | Committee report Ought To Pass In New Draft |
| P&S XXX..... | Chapter # of enacted Private & Special Law |
| PASSED..... | Joint Order passed in both bodies |
| 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 that the effective date for non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Insurance and Financial Services

LD 332 An Act To Update References to Federal Laws in the Maine Uniform Securities Act and To Make Other Technical Corrections to the Act

PUBLIC 14
EMERGENCY

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-----------------------|-------------------------|---------------------------|
| BRAUTIGAM BARTLETT | OTP | |

LD 332 updates references to federal laws cited in the Maine Uniform Securities Act to conform state law with federal securities law. It also makes technical corrections to the Uniform Securities Act as adopted in Maine.

Enacted Law Summary

Public Law 2007, chapter 14 updates references to federal laws cited in the Maine Uniform Securities Act to conform state law with federal securities law and also makes technical corrections to the Maine Uniform Securities Act.

Public Law 2007, chapter 14 was enacted as an emergency measure effective March 20, 2007.

LD 371 An Act To Protect Young Consumers

ONTP

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

LD 371 prohibits the issuance of a credit card to an individual under 21 years of age without the written consent of the individual's parent or guardian.

LD 388 An Act Concerning Insurance for Churches and Nonprofit Organizations

ONTP

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

LD 388 allows members of a church or nonprofit organization to qualify as a group for the purposes of purchasing insurance.

LD 415 An Act To Enhance Consumer Awareness of Insurance Sales Activity

PUBLIC 32

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| PILON | OTP-AM | H-24 |

LD 415 requires insurance producers to identify themselves as engaged in insurance sales activities on their business cards, in order to protect the interests of both the consumer and the producer by clearly identifying the producers' business activities.

Committee Amendment "A" (H-24)

This amendment replaces the bill. The amendment prohibits a person from making any untrue, deceptive or

Joint Standing Committee on Insurance and Financial Services

misleading statements on a business card with respect to the business of insurance or the conduct of that person's insurance business.

Enacted Law Summary

Public Law 2007, chapter 32 prohibits a person from making any untrue, deceptive or misleading statements on a business card with respect to the business of insurance or the conduct of that person's insurance business.

LD 416 An Act To Protect Seniors and the Public from Unfair Health Insurance Sales Practices

**PUBLIC 53
EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| TREAT | OTP-AM | H-29 S-25 SULLIVAN |

LD 416 expressly defines certain marketing practices as unfair trade practices when used to sell, solicit or negotiate the purchase of health insurance products. The bill prohibits the use of "cold lead advertising" which is defined as using a method of marketing that fails to conspicuously disclose that a purpose of the marketing is insurance sales solicitation and that contact will be made by an insurer or insurance producer. The bill also prohibits using an appointment to discuss Medicare products or to solicit Medicare products in order to solicit the sale of other types of insurance products. Medicare products are defined in the bill as Medicare Part A, Medicare Part B, Medicare Part C, Medicare Part D, Medicare Advantage and Medicare supplement insurance plans.

Committee Amendment "A" (H-29)

This amendment replaces the bill. The amendment retains the prohibition on cold lead advertising contained in the bill. It clarifies that insurers and producers may not use an appointment to discuss Medicare products to solicit sales of life insurance, health insurance or annuity products unless requested by a consumer and the products to be discussed are clearly identified to a consumer in writing at least 48 hours in advance of the appointment. The amendment also prohibits door-to-door solicitation of Medicare products prior to receiving an invitation from a consumer.

The amendment also adds an emergency preamble and emergency clause. The amendment adds an effective date of June 1, 2007.

Senate Amendment "A" (S-25)

This amendment changes the effective date of Committee Amendment "A" from June 1, 2007 to October 1, 2007.

Enacted Law Summary

Public Law 2007, chapter 53 expressly defines the following solicitation methods used by an insurer or insurance producer as unfair trade practices.

1. The law prohibits the use of cold lead advertising to sell, solicit or negotiate the purchase of health insurance.
2. The law prohibits using an appointment to discuss Medicare products or to solicit Medicare products in order to solicit sales of life insurance, health insurance or annuity products unless the consumer requested the solicitation and the products to be discussed are clearly identified to a consumer in writing at least 48 hours in advance of the appointment.
3. The law prohibits door-to-door solicitation of Medicare products prior to receiving an invitation from a consumer.