

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

August 2017

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STATE OF MAINE

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

CARRIED OVER..... carried over to a subsequent session of the Legislature
CON RES XXX..... chapter # of constitutional resolution passed by both houses
CONF CMTE UNABLE TO AGREE..... Committee of Conference unable to agree; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE..... emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT..... legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY..... ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 128th Legislature is Wednesday, November 1, 2017. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Insurance and Financial Services

LD 1540

An Act To Protect Consumers' Freedom of Choice in Auto Collision Repairs

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMANN S	OTP-AM ONTP	H-278

This bill amends the provisions of law regarding insurers' initial communications with an insured or claimant filing a claim for collision damage to an automobile in the following ways.

1. It clarifies that an insurer may not intimidate, coerce, threaten or provide incentive or inducement to the insured or claimant to use any particular specified place of business to repair the automobile.
2. It requires an insurer to submit to and have approved by the Superintendent of Insurance the script or talking points the insurer requires to be read or told to an insured or claimant upon receiving the claim and to include in the script or talking points an advisory that the insured or claimant has the legal right to choose the motor vehicle repair service to fix the vehicle.
3. It makes a violation of the provisions of this bill and the other provisions regarding free competition in insurance for motor vehicle repairs an unfair trade practice and a civil violation with graduated fines from \$1,000 for a first offense to \$5,000, a requirement for the second and subsequent offense that the insurer provide proof of corrective measures and, for a fourth or subsequent offense within a 12-month period, possible suspension or revocation of the insurer's certificate of authority.
4. It allows the Attorney General to enforce the provisions of this bill and the other provisions regarding free competition in insurance for motor vehicle repairs.

Committee Amendment "A" (H-278)

This amendment is the majority report of the committee and replaces the bill. The amendment clarifies the provision of law regarding an insurer's communication with an insured or a claimant filing a claim for collision damage to an automobile by requiring an insurer that recommends a particular motor vehicle repair service or a network of repair services to convey to an insured or a claimant upon receiving the claim that the insured or claimant has the legal right to choose the motor vehicle repair service to fix the vehicle.

LD 1544 An Act To Update the Maine Insurance Code To Maintain Conformance with Uniform National Standards

PUBLIC 169

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE R	OTP	

This bill updates several provisions of the Maine Insurance Code to incorporate recent amendments to model laws adopted by the National Association of Insurance Commissioners, or NAIC, and makes related technical changes. These amendments maintain the State's compliance with uniform financial solvency standards and with the NAIC's accreditation requirements for state insurance regulators.

Part A enhances regulatory oversight and complies with NAIC accreditation requirements by requiring domestic insurance carriers to file corporate governance annual disclosure reports and clarifying the filing requirement for quarterly financial statements. These requirements apply to health maintenance organizations, nonprofit hospital and medical service organizations and fraternal benefit societies as well as to traditional commercial insurance