

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
107TH LEGISLATURE

COMMITTEE AMENDMENT "A" to H.P. 1201, L.D. 1496, Bill, "AN ACT Relating to Property Insurance under the Maine Consumer Credit Code."

Amend said Bill by striking out everything after the enacting clause and inserting in place thereof:

sub-§1, first ¶,
Sec. 1. 9-A MRSA §4-301, /as enacted by PL 1973, c. 762,
§1, is amended to read:

1. A creditor may not contract for or receive a separate charge for insurance against loss/^{of}or damage to property unless the-credit-transaction-involves-motor-vehicle-financing-as defined-in-Title-9, chapters-321-to-327, or the-financing-of the-purchase-of-a-mobile-home, as-defined-in-Title-10, section 1402, subsection-2, and unless:

Sec. 2. 9-A MRSA §4-301, sub-§§3,4 and 5 are enacted to read:

3. With respect to a transaction, except pursuant to open-end credit, a creditor may not contract for or receive a separate charge for insurance against loss of or damage to property, unless the amount financed exclusive of charges for the insurance is \$500 or more and the cash price of the item of property is \$500 or more.

4. With respect to a transaction pursuant to open-end credit, the administrator may adopt rules consistent with the principles set out in subsections 1 and 2 prescribing whether, and the conditions under which, a creditor may contract for or receive a separate charge for insurance against loss of or damage to property.

5. The amounts of \$500 in subsection 3 are subject to change pursuant to the provisions on adjustment of dollar amounts, section 1-106.

Statement of Fact

The purpose of this amendment is to make section 4-301 of the Maine Consumer Credit Code more consistent with the corresponding section of the final draft of the Uniform Consumer Credit Code. Under the Maine version, creditors could contract for property insurance only for motor vehicles and mobile homes. This amendment allows such insurance to be sold for items of a value of \$500 or more.

Reported by the Committee on Business Legislation.

Reproduced and distributed under the direction of the Clerk of the House.
5/14/75

(Filing No. H-341)