

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-123)
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 490, L.D. 542, Bill,
"AN ACT Relating to Credit Disability Insurance Under the
Consumer Credit Code."

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'9-A MRSA §4-104, sub-§3, last sentence, as repealed
and replaced by PL 1975, c. 288, §2, is repealed and the
following enacted in its place:

If a creditor offers consumer credit insurance providing
for accident and health coverage for which a separate charge
may be received, the creditor shall offer the consumer the
option of purchasing consumer credit insurance which does
not pay a benefit for the 30-day waiting period and shall
disclose to the consumer the cost thereof in accordance with
section 2-501, subsection 2, paragraph B.'

Statement of Fact

Existing law only allows creditors to sell credit accident
and health insurance that pays benefits from the 31st day of
disability. This amendment requires that consumers merely be
given the option of buying this type of coverage and allows
creditors to offer insurance that pays benefits retroactive

to the date of disability. If a creditor chose to offer retroactive coverage, he would continue to be required to disclose the cost of nonretroactive coverage in the disclosure statement.

Reported by the Committee on Business Legislation.
Reproduced and distributed under the direction of the Clerk of the House.

3/24/81

(Filing No. H-123)