

# MAINE STATE LEGISLATURE

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L.D. 1712

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No. H-631)  
110TH LEGISLATURE  
SECOND REGULAR SESSION

6 COMMITTEE AMENDMENT "A" to H.P. 1727, L.D. 1712, Bill,  
7 "AN ACT to Revise the Fair Credit Reporting Act and to  
8 Conform it to Recent Maine Judicial Decisions."

9 Amend the bill by striking out all of section 2 and  
10 inserting in its place the following:

11 'Sec. 2. 10 MRSA §1312, sub-§2, as enacted by PL 1977,  
12 c. 514, is repealed and the following enacted in its place:

13 2. Consumer. "Consumer," for purposes of section 1314  
14 only, means an individual who makes an application while  
15 physically in this State to a user located in this State, or  
16 to a person located in this State accepting applications on  
17 behalf of a user, for an economic benefit, and about whom  
18 the user reasonably believes a consumer report or an inves-  
19 tigative consumer report will be prepared in this State by a  
20 consumer reporting agency, or an office of a consumer re-  
21 porting agency. "Consumer," for all other purposes and for  
22 this chapter, means an individual about whom a consumer  
23 report or an investigative consumer report has been prepared  
24 in this State by a consumer reporting agency, or an office  
25 of a consumer reporting agency.

26 Further amend the bill in section 3, in subsection 3,  
27 paragraph A, subparagraph (2) in the first line (page 3,  
28 line 17 in L.D.) by striking out the underlined words "an  
29 insurance transaction" and inserting in their place the  
30 underlined words 'the underwriting of insurance'

31 Further amend the bill in section 3, in subsection 3,  
32 paragraph B, subparagraph (1), division (a), in the first  
33 line (page 3, line 36 in L.D.) by inserting after the under-  
34 lined word "By" the underlined word 'covert'

35 Further amend the bill in section 3, in subsection 3,  
36 paragraph C, subparagraph (2), in the first line (page 4,  
37 line 38 in L.D.) by striking out the underlined word "or"

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2 and inserting in its place the underlined word 'and'

3 Further amend the bill in section 5 in that part design-  
4 nated "§1313." subsection 2 (page 5, line 22 in L.D.) by  
5 inserting after the underlined word "year" the underlined  
6 words and punctuation 'or such longer period of time as pro-  
7 vided in Title 24-A, section 2507, for the contestability of  
8 an insurance policy based on information provided by a con-  
9 sumer in the application'

10 Further amend the bill in section 5 in that part design-  
11 nated "1313." by adding at the end of subsection 3 the  
12 underlined word 'or'

13 Further amend the bill in section 5 in that part design-  
14 nated "§1313." in subsection 4, in the last line (page 5,  
15 line 29 in L.D.) by inserting after the underlined word and  
16 figure "section 1328" the following: ', but limited by the  
17 Federal Fair Credit Reporting Act, Section 608, the United  
18 States Code, Title 15, Section 1681f'

19 Further amend the bill in that part designated "§1313."  
20 subsection 4 (page 5, line 29 in L.D.) by striking out the  
21 underlined words and punctuation '; or' and inserting in  
22 their place the underlined punctuation ','

23 Further amend the bill in section 5 in that part design-  
24 nated "§1313." by striking out all of subsection 5.

25 Further amend the bill in section 6, in subsection 1,  
26 3rd and 4th lines, (page 6, line 1 in L.D.) by striking out  
27 the underlined words and punctuation "except a report relat-  
28 ing to an insurance claim,"

29 Further amend the bill by striking out all of section  
30 11 and inserting in its place the following:

31 'Sec. 11. 10 MRSA §1320, sub-§3, as enacted by PL  
32 1977, c. 514, is amended to read:

33 3. Dissemination of consumer report information pro-  
34 hibited. Every user of a consumer report or an investiga-  
35 tive consumer report shall be prohibited from disseminating  
36 to any other person , other than the consumer who is the  
37 subject of the report, any such report other than informa-

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2 tion contained in its own files as a result of its direct  
3 experience with the consumer. Except for medical informa-  
4 tion and sources as described in section 1315, subsection 1,  
5 a consumer reporting agency may not by contract or otherwise  
6 prohibit a user of any consumer report or investigative con-  
7 sumer report from disclosing the contents of the report to  
8 the consumer to whom it relates. A contractual provision in  
9 violation of this section shall be unenforceable.'

10 Further amend the bill in section 12 in that part des-  
11 ignated "§1321." in subsection 2 in the last line (page 7,  
12 line 38 in L.D.) by inserting after the underlined word  
13 "verified" the following underlined words and punctuation  
14 unless efforts to verify the information are also contained  
15 in the report'

16 STATEMENT OF FACT

17 The purposes of this amendment are to:

18 1. Define "consumer" to establish the jurisdictional  
19 reach of the Act;

20 2. Define "consumer report," with respect to insur-  
21 ance, as a report collected or used in connection with the  
22 underwriting of insurance;

23 3. Clarify the type of physical surveillance included  
24 in the definition of "consumer report;"

25 4. Clarify the type of "lead" or "alert" information  
26 included in the definition of "consumer report;"

27 5. Extend the authorization period in connection with  
28 insurance policies to match the contestability period;

29 6. Qualify the permissible purpose provisions relating  
30 to administrative enforcement with the limitations of the  
31 Federal Fair Credit Reporting Act, Section 608;

32 7. Delete the permissible purpose proposed in the bill  
33 concerning furnishing of reports by one reporting agency to  
34 another;

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2 8. Delete the insurance claim exception from the  
3 notice requirement concerning investigative consumer  
4 reports; and

5 9. Clarify that, except for medical information and  
6 sources, no contract provision prohibiting users from dis-  
7 seminating reports to the subjects of those reports is  
8 enforceable.

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Reported by the Committee on Business Legislation.  
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