



## **119th MAINE LEGISLATURE**

## **FIRST REGULAR SESSION-1999**

Legislative Document

No. 1060

S.P. 356

In Senate, February 9, 1999

An Act to Allow Credit Card Users to Purchase Payment Insurance.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

Brien

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator MacKINNON of York.

## Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 9-A MRSA §4-104, sub-§3, as amended by PL 1981, c. 4 151, is further amended to read:

6 In--any-consumer--gredit--gale--gr--any-supervised--lean, 3. except -- pursuant - to-- open-end-- gredit - sales, - a -- greditor - may - not 8 contract-for-or-ereceivo-a--separate-charge-for-consumer-eredit insurance-providing-for-accident-and-health-coverage-unless-there 10 is - a-minimum-payment-of-.\$30-per-menth-or--a-lean-duration-of-at least--18--months, All consumer credit insurance providing for 12 life, accident and health coverage in any consumer credit sale or any supervised loan shall, at the option of the consumer, must 14 provide for a waiting period of 30 days or more. If a creditor offers consumer credit insurance providing for life, accident and 16 health coverage for which a separate charge may be received, the creditor shall offer the consumer the option of purchasing 18 consumer credit insurance which that does not pay a benefit for the 30-day waiting period and shall disclose to the consumer the 20 cost thereof in accordance with section 2-501, subsection 2, paragraph B.

## SUMMARY

26 This bill eliminates the restriction on credit card companies of having to charge at least \$30 per month in order to provide consumer credit insurance providing for life, accident and health coverage. This bill also allows a consumer in a 30 credit sale or supervised loan providing credit insurance for life, accident and health coverage to opt for a waiting period of 32 30 days or more.