

MAINE STATE LEGISLATURE

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Date: 05-22-07

(Filing No. S- 131)

INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
123RD LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 516, L.D. 1489, Bill, "An Act To Enhance Fairness in Arbitration"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 10 MRSA c. 212-B is enacted to read:

CHAPTER 212-B

CONSUMER ARBITRATION AGREEMENTS

§1391. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Administrator. "Administrator" means the Director of the Office of Consumer Credit Regulation within the Department of Professional and Financial Regulation.

2. Consumer. "Consumer" means an individual who uses, purchases, acquires, attempts to purchase or acquire or is offered or furnished credit or a loan for personal, family or household purposes.

3. Consumer arbitration. "Consumer arbitration" means binding arbitration under a consumer arbitration agreement in which a party to the arbitration is a consumer.

4. Consumer arbitration agreement. "Consumer arbitration agreement" means a standard contract with a consumer concerning the use of, purchase of, acquisition of, attempt to purchase or acquire, offer of or furnishing of credit or a loan for personal, family or household purposes.

5. Provider. "Provider" means a person that provides consumer arbitration or services related to consumer arbitration.

COMMITTEE AMENDMENT

1 **§1392. Reporting by arbitration service providers**

2 **1. Report on arbitration proceedings.** Notwithstanding any contractual
3 nondisclosure provisions governing a consumer arbitration proceeding or its disposition,
4 a provider shall provide to the administrator, on a quarterly basis beginning January 1,
5 2008, the following information for each consumer arbitration with which the provider
6 was involved during the prior quarter:

7 **A. The name of every party to the consumer arbitration and the name of the**
8 **arbitrator;**

9 **B. The type of dispute involved, such as credit card, personal loan, credit sale or**
10 **other specified financial product or service;**

11 **C. Whether the consumer was the prevailing party;**

12 **D. Whether the consumer was represented by an attorney;**

13 **E. The dates the provider received the request for consumer arbitration, the arbitrator**
14 **was appointed and the disposition of the consumer arbitration was rendered;**

15 **F. The type of disposition of the consumer arbitration, including withdrawal,**
16 **abandonment, settlement, award after hearing, award without hearing, default and**
17 **dismissal without hearing;**

18 **G. The amount of the claim and the amount of any award or relief granted unless a**
19 **settlement agreement prohibits the disclosure of this information; and**

20 **H. The percentage of the arbitrator's fee allocated to each party.**

21 **2. Confidentiality.** Except for the name of the provider and of individual arbitrators,
22 the information reported to the administrator by a provider pursuant to subsection 1
23 related to each consumer arbitration is confidential and may not be disclosed by the
24 administrator unless the information is disclosed in aggregate form.

25 **3. Liability in providing information.** A provider has no liability related to
26 providing the information required to be provided under this section.

27 **4. Violation.** If a provider violates this section, the administrator may compel
28 compliance pursuant to the provisions of Title 9-A, section 6-108 or, if the provider is an
29 attorney, refer the violation to the Board of Overseers of the Bar.

30 **Sec. 2. Report to the Legislature.** On or before April 1, 2009, the Director of
31 the Office of Consumer Credit Regulation within the Department of Professional and
32 Financial Regulation shall compile the information reported by arbitration providers
33 pursuant to the Maine Revised Statutes, Title 10, chapter 212-B and submit a report to the
34 joint standing committee of the Legislature having jurisdiction over insurance and
35 financial services matters. The joint standing committee may submit legislation based on
36 the report to the First Regular Session of the 124th Legislature.

37 **SUMMARY**

38 This amendment replaces the bill. The amendment removes the provisions in the bill
39 that regulated the substance of consumer arbitration clauses and retains only the provision

COMMITTEE AMENDMENT "A" to S.P. 516, L.D. 1489

1 requiring that arbitration providers report certain information relating to consumer
2 arbitration proceedings. The amendment requires that the information be reported on a
3 quarterly basis to the Director of the Office of Consumer Credit Regulation within the
4 Department of Professional and Financial Regulation. The amendment requires that the
5 director compile the information in a report to the Joint Standing Committee on Insurance
6 and Financial Services by April 1, 2009.

7 **FISCAL NOTE REQUIRED**

8 (See attached)



123rd MAINE LEGISLATURE

LD 1489

LR 1547(02)

An Act To Enhance Fairness in Arbitration

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation in implementing this bill can be absorbed by the department utilizing existing budget resources.