

MAINE STATE LEGISLATURE

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Date: 5/24/2017

(Filing No. S-142)

INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

128TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1506, Bill, "An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers"

Amend the bill in section 1 in §1500-H in subsection 1 by striking out all of paragraph J (page 2, line 3 in L.D.) and inserting the following:

'J. "Superintendent" means, except in cases in which a financial institution authorized to do business in this State, as defined in Title 9-B, section 131, subsection 17-A, is the creditor, the Superintendent of Consumer Credit Protection. In cases in which a financial institution authorized to do business in this State is the creditor, "superintendent" means the Superintendent of Financial Institutions.'

Amend the bill in section 1 in §1500-H in subsection 3 in the first line (page 2, line 37 in L.D.) by striking out the following: "policies" and inserting the following: 'policy'

Amend the bill in section 1 in §1500-H in subsection 3 in the 2nd line (page 2, line 38 in L.D.) by striking out the following: "policies" and inserting the following: 'policy'

Amend the bill in section 1 in §1500-H in subsection 3 in paragraph C in the 2nd and 3rd lines (page 3, line 7 and 8 in L.D.) by striking out the following: "terminated in compliance with applicable insurance laws of this State" and inserting the following: 'nonrenewed as provided in Title 24-A'

Amend the bill in section 1 in §1500-H in subsection 3 in paragraph D in the first line (page 3, line 9 in L.D.) by striking out the following: "termination" and inserting the following: 'nonrenewal'

Amend the bill in section 1 in §1500-H in subsection 3 in paragraph D in the 3rd line (page 3, line 11 in L.D.) by striking out the following: "termination" and inserting the following: 'nonrenewal'

Amend the bill in section 1 in §1500-H in subsection 5 in paragraph A in the first line (page 4, line 1 in L.D.) by striking out the following: "may be cancellable or noncancellable" and inserting the following: 'must be cancellable'

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to S.P. 531, L.D. 1506

1 Amend the bill in section 1 in §1500-H in subsection 5 in paragraph B in the 3rd line
2 (page 4, line 7 in L.D.) by inserting after the following: "entitled to a" the following:
3 'pro rata'

4 Amend the bill in section 1 in §1500-H in subsection 5 in paragraph B in the 4th line
5 (page 4, line 8 in L.D.) by striking out the following: "unless the waiver provides
6 otherwise"

7 Amend the bill in section 1 in §1500-H in subsection 6 in the blocked paragraph in
8 the 2nd line (page 4, line 27 in L.D.) by inserting after the following: "in this State." the
9 following: 'In cases in which a financial institution authorized to do business in this
10 State, as defined in Title 9-B, section 131, subsection 17-A, is a creditor, the
11 Superintendent of Financial Institutions is responsible for enforcement.'

12 Amend the bill in section 1 in §1500-H in subsection 7 in paragraph A by striking out
13 all of subparagraph (1) (page 4, lines 40 and 41 in L.D.) and inserting the following:

14 '(1) An insurance policy or a guaranteed asset protection insurance policy offered
15 by an insurer under Title 24-A; or'

16 Amend the bill in section 1 in §1500-H in subsection 7 in paragraph A in
17 subparagraph (2) in the first line (page 5, line 1 in L.D.) by inserting after the following:
18 "contract offered" the following: 'by a financial institution authorized to do business in
19 this State, as defined in Title 9-B, section 131, subsection 17-A.'

20 Amend the bill in section 1 in §1500-H in subsection 7 in paragraph C in the first 2
21 lines (page 5, lines 7 and 8 in L.D.) by striking out the following: "the insurance laws of
22 this State" and inserting the following: 'Title 24-A'

23 **SUMMARY**

24 This amendment makes the following changes to the bill.

- 25 1. It clarifies that guaranteed asset protection waivers must include a cancellation
- 26 provision and ensures that consumers are entitled to pro rata refunds upon cancellation.
- 27 2. It includes specific references to the Maine Revised Statutes, Title 24-A.
- 28 3. It clarifies that the Superintendent of Financial Institutions is the regulator in
- 29 relation to state-chartered banks and credit unions.
- 30 4. It makes technical changes to use terminology consistent with current law.

31 **FISCAL NOTE REQUIRED**

32 (See attached)

COMMITTEE AMENDMENT



128th MAINE LEGISLATURE

LD 1506

LR 1806(02)

An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers

Fiscal Note for Bill as Amended by Committee Amendment "A" (S.142)
Committee: Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund
Minor revenue increase - General Fund
Minor cost increase - Other Special Revenue Funds

Correctional and Judicial Impact Statements

Increases the number of civil suits.

The collection of additional filing fees may also increase General Fund revenue by minor amounts.

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation to adopt the changes in this bill are expected to be minor and can be absorbed within existing budgeted resources.