

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND TWELFTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON BUSINESS AND COMMERCE
BILL SUMMARIES



JULY 1985

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ONE HUNDRED AND TWELFTH LEGISLATURE
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This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the First Regular Session of the 112th Legislature. The summaries are arranged by LD number and indexed separately by committee.

SUMMARY:

The purpose of this bill is to provide that when a person rust-proofs a motor vehicle and makes express warranties concerning that rust-proofing he shall be liable for any damages resulting to the motor vehicle as a result of the breach of those express warranties.

LD: 1290 AN ACT CONCERNING CONVERSION OF MUTUAL FINANCIAL INSTITUTIONS HILLOCK

LU-WD HOUSE Accepted Committee Report
SENATE Accepted Committee Report
GOV

SUMMARY:

This bill would have revised the procedure for account holder approval for the conversion of mutual savings banks to commercial or stock holding banks.

See LD 1394 for related bill.

LD: 1300 AN ACT CONCERNING MOTOR VEHICLE INSURANCE AND THE HOUSEHOLD EXCLUSION CHALMERS CARPENTER

ND: 412

HOUSE Enacted PUBLIC
SENATE Enacted CH # 136
GOV SIGNED

SUMMARY:

LD 412 prohibited household exclusion clauses that prevent one family member from recovering against another family member for negligence under a motor vehicle insurance policy. Under LD 1300, an insurer may not exclude members of the insured's family from coverage unless the insurer so notifies the Bureau of Insurance and the insurer's agents and the exclusion is done by separate endorsement to the policy so the insured is more likely to be aware of it.

LD: 1301 AN ACT TO AMEND THE MAINE CONSUMER CREDIT CODE BUSTIN

ND: 588

HOUSE Enacted PUBLIC
SENATE Enacted CH # 137
GOV SIGNED

SUMMARY:

9-A MRSA §2-307 (2) prohibits lenders from taking a security interest in a consumer's principal residence in the case of a small loan of \$1,000 or less. In order to prevent an interpretation that an open-end line of credit secured by a

2nd mortgage requires a consumer to borrow advances of over \$1,000 each time he wants to borrow on that line of credit, LD 1301 exempts substantial lines of credit from this prohibition. The bill requires that advances of over \$1,000 must have been made at some time in order for a lender to foreclose upon default.

LD: 1312 AN ACT TO PROHIBIT DISCRIMINATION AGAINST HANDICAPPED PEOPLE IN INSURANCE ANDREWS RYDELL BRANNIGAN MURRAY

OTP-AM HOUSE Enacted SENATE Enacted GOV SIGNED PUBLIC C. # 445

S-305 CA H S

SUMMARY:

LD 1312 would have prohibited insurers from refusing coverage or increasing premiums for an insured for the sole reason that the person is physically or mentally handicapped. This protection was already in effect for the blind, deaf and developmentally disabled. As amended by the Committee, an insurer cannot refuse coverage or charge higher rates for coverage to a person solely because of the person's blindness. In the case of other handicaps, as defined in the Human Rights Act, an insurer cannot refuse coverage or charge higher rates solely because of the person's handicaps, unless the basis for that action is clearly demonstrated through sound actuarial evidence.

LD: 1343 AN ACT TO ESTABLISH COMPETITIVE INSURANCE RATING UNDER THE MAINE WORKERS COMPENSATION SYSTEM MARTIN J PRAY DUTREMBLE MURRAY

OTP-AM HOUSE Indef. PP SENATE Indef. PP GOV

H-373 CA H

SUMMARY:

The bill eliminates the present prior approval system for setting workers' compensation insurance rates where insurers must obtain approval from the Superintendent of Insurance through a highly technical rate filing before using rates. The new system emphasizes open competition by allowing each insurer to use its own rates after filing them with the superintendent, encouraging insurers to compete for business by offering lower premium rates.