

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON  
BANKING AND INSURANCE  
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

This bill prevents an insurance company from cancelling the automobile insurance of a new driver under the age of 21 who has had his or her provisional driver's license suspended for a first or 2nd time for a moving violation. Currently, an insurer may cancel a policy when there is any suspension by anyone named in the policy.

Committee Amendment A (H-97) expands the exception in the original bill to provisional licensees who are 21 years of age or older. Thus, all provisional licensees regardless of age are treated equally.

LD 784 AN ACT RELATING TO CHECK CASHING

PL 1987  
c. 244

Sponsor: BUSTIN, Andrews, Rydell, Carroll  
Committee Report: OTP-AM  
Amendments Adopted:  
S-79 Committee

SUMMARY: This bill prohibits merchants or other payees, when accepting a personal check as a form of payment, from requiring the consumer to use a major credit card as a form of identification.

Committee Amendment A (S-79) adds a provision to clarify that a merchant may ask for a credit card as proof of identification for check cashing, but may not require it if a buyer does not possess a credit card. This would not prohibit a merchant from requiring any other type of identification.

LD 788 AN ACT TO CONTROL POINTS IN FIRST MORTGAGE  
TRANSACTIONS

LVWD

Sponsor: BUSTIN, Racine, Tracy  
Committee Report: LVWD

SUMMARY: This bill addresses the issue of mortgage points in 2 ways. In second mortgage and consumer loan transactions that are subject to the Maine Consumer Credit Code, the bill requires that any prepaid finance charges be refunded according to an equitable formula if a loan is prepaid.

This bill also establishes authority in the Superintendent of the Bureau of Consumer Credit Protection to regulate the charging of points, or other loan fees, by bank and nonbank mortgage lenders in first lien mortgage lending transactions.

This bill was withdrawn but the Bureau of Consumer Credit Protection has been asked to adopt a rule requiring that information on points be given to consumers.

LD AN ACT TO CREATE THE MAINE PROPERTY AND CASUALTY JOINT UNDERWRITING ASSOCIATION CARRY-OVER  
810

Sponsor: THERIAULT, Allen, Racine  
Committee Report: CARRY-OVER

SUMMARY: This bill establishes the Maine Property and Casualty Joint Underwriting Association. It applies to liability insurance for day care, liquor, officers and directors of nonprofit organizations, product, nurse midwife, whitewater rafting, commercial motor vehicle, medical malpractice, and any other area which the Bureau of Insurance deems appropriate other than private passenger motor vehicle, environmental impairment and workers' compensation.

This bill was carried over to the 2nd Regular Session of the 113th Legislature and has been referred to the Commission to Examine Problems of Tort Litigation and Liability Insurance in Maine.

LD AN ACT TO PROVIDE FOR COMPETITIVE STATE FUNDING OF WORKERS' COMPENSATION CARRY-OVER  
835

Sponsor: MARTIN, J., Baker, McHenry, Bustin  
Committee Report: CARRY-OVER

SUMMARY: This bill establishes a competitive state fund for workers' compensation insurance. Employers may choose between the state fund or a private insurance carrier. Employers joining the fund would pay premiums into the fund as they would to an insurance company. The fund is to become self-supporting within a reasonable time.

LD AN ACT TO REQUIRE MOTOR VEHICLE LIABILITY INSURANCE LVWD  
866

Sponsor: ALIBERTI, Baldacci, Tardy, Nutting  
Committee Report: LVWD

SUMMARY: This bill requires all operators of motor vehicles to obtain liability insurance. The bill also provides that this insurance is administered on a no-fault basis. A violation may result in a civil penalty of no more than \$100 and a 3-month license suspension.