

MAINE STATE LEGISLATURE

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**STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION**



**BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE
JULY 1989**

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ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

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 for each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are abbreviated as follows:

| | |
|-----------|---------------------------------------|
| 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 |

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

LD 1391 An Act to Amend the Maine Consumer Credit Code to Add
Provisions Relating to Credit and Charge Card Disclosures

PUBLIC 472
EMERGENCY

SPONSOR(S)
REED
THERIAULT

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-526

SUMMARY

In the past, issuers of credit and charge cards have not been required to disclose credit and charge card agreement terms, such as annual percentage rates and other charges, until consumers received the cards. Under a new federal law, issuers must provide those disclosures as part of their advertisements and solicitations, before consumers request the cards.

The United States Fair Credit and Charge Card Disclosure Act of 1988 amends a section of the federal Truth-in-Lending Act from which Maine has historically been exempt, since Maine has maintained provisions in the Maine Revised Statutes, Maine Consumer Credit Code, Title 9-A, which are the equivalent of their federal counterparts.

This bill incorporates the new federal language into Maine law, allowing enforcement on a state level, protecting Maine's exemption from the federal Truth-in-Lending Act and providing a basis for incorporation of related provisions through state rule-making procedures. The bill amends 9-A MRSA Article 8, Truth in Lending, particularly: section 8-202 (Form of disclosure); section 8-205 (Open-end consumer credit plans); and section 8-208 (Civil Liability).

CA (H-526) The amendment adds an emergency preamble and clause with an effective date of August 31, 1989, and makes technical corrections.

LD 1426 An Act Relating to Certain Proprietary Information of
Insurance Agents and Brokers

PUBLIC 449

SPONSOR(S)
THERIAULT
GARLAND
WHITMORE

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-263

SUMMARY

The bill sets forth the ownership rights of an insurance agent or broker to certain information contained in property and casualty insurance policies, certificates of insurance and written memorandums of preliminary contracts of insurance. The bill also prohibits financial institutions and mortgage companies from using, selling or transferring that information to any other person for the purpose of marketing, underwriting or soliciting insurance. The information includes policy inception date, amount of coverage, name of the insured, amount of premium and terms of coverage.

The committee amendment (S-263) strikes the language setting forth agents and brokers rights in information, and prohibiting lenders from selling or transferring that information. The amendment, instead, adds language to existing law prohibiting the use of insurance information to the detriment of another to clarify that the section prohibits selling or transferring that information.