

MAINE STATE LEGISLATURE

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



**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JUNE 1990

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**One Hundred and Fourteenth Legislature
Second Regular Session**

**Joint Standing Committee
Bill Summaries**

June 1990

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. Committee Reports and Floor Action are abbreviated as follows:

OTP
OTP-ND
OTP-ND-NT
OTP-A
ONTP
LVWD
INDEF PP

Ought to Pass
Ought to Pass in New Draft
Ought to Pass in New Draft, New Title
Ought to Pass as Amended
Ought Not to Pass
Leave to Withdraw
Indefinitely Postponed

Each individual summary was prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond, 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.

foreign reinsurers, under reinsurance agreements subject to the Superintendent's approval. In addition, the amendment would have required these domestic insurers to provide certain information to the Superintendent of Insurance, no less often than annually.

The Conference Committee Amendment (S-689) replaces the bill and requires the Superintendent of Insurance to review the requirements for obtaining a certificate of authority to determine whether any less stringent requirements would be appropriate for captive insurers described in the amendment. The Superintendent will report his findings and recommendations to the Legislature by September 1, 1990.

LD 1862 An Act Relating to Returned Check Charges

LV/WD

SPONSOR(S)

CURRAN
TARDY
MAYO
DONALD

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill would have repealed the present law which limits to \$2 per check the amount a financial institution may charge a depositor if a check deposited to the depositor's account is returned by the institution on which it was drawn for insufficient funds. There is no limit on the charge that can be made against the account of the person on whose account the check was drawn, and if the check is deposited in the same bank on which it was drawn, only the originator's account may be charged.

The bill was withdrawn, in view of the July 1, 1991, sunset of the present law.

**LD 1873 An Act to Require Effective Notification of Cancellation to
Insurance Policyholders**

ONTP

SPONSOR(S)

JOSEPH
KANY
BRANNIGAN
HANDY

COMMITTEE REPORT

ONTP

AMENDMENTS ADOPTED

SUMMARY

Under present law, notice of cancellation of an auto insurance policy must be provided by the insurance company to the insured within certain time limits. A post office certificate of mailing is proof of receipt of the notice on the 5th calendar day after mailing. The bill would have required that notice to be sent return receipt requested, and would have permitted insurers to use the returned receipt as conclusive proof that the insured received the notice.

LD 1887 An Act to Amend the Mutual Holding Company Law

LV/WD

SPONSOR(S)

COLLINS
CURRAN

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

Present law authorizes a mutual financial institution to reorganize into a mutual holding company by