

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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Sen. Beverly Miner Bustin
Sen. Donald F. Collins

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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.

LD 2222

An Act to Prohibit Family Exclusion Clauses in Automobile Insurance Policies

**CONF COMM
UNABLE TO AGREE**

SPONSOR(S)

MARSANO

COMMITTEE REPORT

ONTP MAJ
OTP-AM MIN

AMENDMENTS ADOPTED

SUMMARY

The bill would require any insurer that includes an exclusion for damages to family members in an automobile insurance policy to offer to the insured optional coverage for damages to family members up to at least \$25,000 per individual.

A majority of the committee voted ONTP, with the intention of including the issue in the sunset review of auto insurance. The Senate accepted the ONTP report.

The minority voted OTP-A, with an amendment (H-1018) that would require insurers to offer the opportunity to buy back coverage for the excluded family members. An additional premium could be charged. The House accepted the OTP-AM report. A committee of conference was unable to reach agreement.

LD 2224

An Act to Provide Additional Remedies for Consumers Injured by Unfair Insurance Trade Practices

PUBLIC 826

SPONSOR(S)

RYDELL
BRANNIGAN
CONSTANTINE
CLARK N

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-979

SUMMARY

The bill would authorize policyholders to bring civil actions against their insurers for unfair claims practices and would allow an individual holding a Medicare supplement, nursing home or long-term care policy to sue for double or treble damages for deceptive acts or practices.

The Committee Amendment (H-979) replaces the bill with 2 other provisions. One provides the Attorney General with authority to seek restitution or actual damages for consumers injured by a violation of the Maine Insurance Code. The other provides the Superintendent of Insurance with authority to obtain restitution for consumers injured by a violation of the Maine Insurance Code.

LD 2235

An Act Related to Secondary Markets

LV/WD

SPONSOR(S)

BUSTIN

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill would require any lending institution, before selling a loan, to offer the borrower the option of renegotiating or closing out the loan.

The committee voted LWD, but will request the Bureau of Banking and the bankers associations to review the issue.