

# 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  
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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.