

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

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



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

JUNE 1990

MEMBERS:

***Sen. Raynold Theriault
Sen. Beverly Miner Bustin
Sen. Donald F. Collins**

***Rep. Charlene B. Rydell
Rep. Phyllis R. Erwin
Rep. Richard H. C. Tracy
Rep. Carol M. Allen
Rep. Harriet A. Ketover
Rep. Ruth Joseph
Rep. Anne M. Rand
Rep. Philip E. Curran
Rep. Joseph A. Garland
Rep. Harvey C. Donald**

Staff:

**Deborah C. Friedman, Legislative Analyst
Haven Whiteside, Legislative Analyst**

**Office of Policy and Legal Analysis
Room 101, State House Station 13
Augusta, ME 04333
(207) 289-1670**

***Denotes Chair**

MARTHA E. FREEMAN, DIRECTOR
WILLIAM T. GLIDDEN, PRINCIPAL ANALYST
JULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
GILBERT W. BREWER
TODD R. BURROWES
GRO FLATEBO
DEBORAH C. FRIEDMAN
JOHN B. KNOX



PATRICK NORTON
HARTLEY PALLESCHI
MARGARET J. REINSCH
PAUL J. SAUCIER
JOHN R. SELSER
HAVEN WHITESIDE
JILL IPPOLITI, RES. ASST.
BARBARA A. MCGINN, RES. ASST.
BRET A. PRESTON, RES. ASST.

STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107/135
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

**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.