

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
115TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

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

AUGUST 1991

MEMBERS:

**Sen. Judy C. Kany
Sen. Raynold Theriault
Sen. Linda Curtis Brawn*

**Rep. Elizabeth H. Mitchell
Rep. Phyllis R. Erwin
Rep. Richard H. C. Tracy
Rep. Harriet A. Ketover
Rep. Ruth Joseph
Rep. Anne M. Rand
Rep. Edward L. Pineau
Rep. Joseph A. Garland
Rep. Peter Hastings
Rep. Joseph G. Carleton*

Staff:

Jane Orbeton, 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, JR., PRINCIPAL ANALYST
ULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
DON CLARK
DYAN M. DYTTER
BRO FLATEBO
DEBORAH C. FRIEDMAN
MICHAEL D. HIGGINS
KANE ORBETON



KAREN L. HRUBY
JILL IPPOLITI
JOHN B. KNOX
PATRICK NORTON
MARGARET J. REINSCH
PAUL J. SAUCIER
HAVEN WHITESIDE
MILA M. DWELLEY, RES. ASST.
ROY W. LENARDSON, 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 FIFTEENTH LEGISLATURE
FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION
JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1991**

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 volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX	<i>Chapter # of enacted Public Law</i>
P&S XXX	<i>Chapter # of enacted Private & Special Law</i>
RESOLVE XXX	<i>Chapter # of enacted Resolve</i>
CON RES XXX	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
EMERGENCY	<i>Enacted law takes effect sooner than 90 days</i>
CARRIED OVER	<i>Bill carried over to 2nd Session</i>
FAILED EMERGENCY ENACTMENT	<i>Bill failed to get 2/3 vote</i>
ONTP	<i>Ought Not to Pass report accepted</i>
LVWD	<i>Leave to Withdraw report accepted</i>
INDEF PP	<i>Bill Indefinitely Postponed</i>
DIED BETWEEN BODIES	<i>House & Senate disagree; bill died</i>
VETO SUSTAINED	<i>Legislature failed to override Governor's Veto</i>
UNSIGNED	<i>Not signed by Governor within 10 days</i>
DIED ON ADJOURNMENT	<i>Action incomplete when 1st session ended</i>

These summaries were 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.

If you have any suggestions or comments on these summaries, please let us know.

An Act to Provide for Notice of Termination of an Insurance Agency Appointment

SPONSOR(S)
 THERIAULT
 COLLINS
 RAND

COMMITTEE REPORT
 OTP-AM

AMENDMENTS ADOPTED
 S-57

SUMMARY

Insurers are not required under current law to provide agents with advance notice of termination of agency appointment. This bill provides for a 120-day advance notice, except when the agent may have acted in such a way as to have the agent's license suspended or revoked. The bill also provides for the continuation until the expiration date or anniversary date of insurance contracts written by the agent.

Committee Amendment "A" (S-57) limits the application of the bill to general lines agents. Section 2 of the amendment clarifies that the provisions of section 1 do not impair the rights of insureds under the Maine Revised Statutes, Title 24-A, chapters 39 and 41.

LD 917**An Act to Authorize Recovery of Certain Collection Costs**

SPONSOR(S)
 CONSTANTINE
 HOLLOWAY
 MILLS
 KILKELLY

COMMITTEE REPORT
 OTP-AM

AMENDMENTS ADOPTED
 H-239

SUMMARY

The Maine Consumer Credit Code currently forbids creditors from recovering costs of collections on certain loans. This bill repeals Title 9-A, section 2-507, subsection 2 and allows for recovery of costs other than attorney's fees.

Committee Amendment "A" (H-239) restricts the practice of charging the debtor for reasonable attorney's fees, legal expenses and costs after default on a consumer loan or a consumer credit sale foreclosure on real property that secures the debt. It also reorganizes the sentences to make the section easier to read.

LD 925**An Act to Ensure that Health Care Insurance Policies Offer Discounts to Nonsmoking Consumers**

SPONSOR(S)
 NUTTING
 RYDELL
 DUPLESSIS
 MITCHELL E

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

This bill requires nonprofit hospital and medical service organizations and health insurers to offer nonsmokers discounts in their individual and group policies. Individual nonsmokers policy holders pay 20% less than smokers. In a group policy nonsmokers pay 15% less than smokers. Some insurers already offer nonsmokers discounts. The bill will require that this fair business practice be adopted by all health insurers.

This bill allows the insurer to administer a smoking test approved by the Superintendent of Insurance