

MAINE STATE LEGISLATURE

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**STATE OF MAINE
115TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

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

AUGUST 1991

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**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.

LD 880

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

PUBLIC 112

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

PUBLIC 237

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

CARRIED OVER

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

and disqualifies for the discount all contracts and policies in which the insured or a dependent of the insured smokes or tests positively for smoking. The bill requires that health insurance provide benefits for smoking cessation services that meet standards established by the Department of Human Services.

LD 936 An Act to Require Insurance Companies to Inform Insureds of LV/WD
the Extent of Insured Value

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
SKOGLUND TOWNSEND MITCHELL E KUTASI	LV/WD	

SUMMARY

This bill requires that motor vehicle insurance policies that insure for replacement value of the motor vehicle state that limitation and carry a separate endorsement. The purpose of this bill is to make sure that insurance buyers understand what they are buying.

LD 974 An Act Concerning the Provision of Loss Information by an LV/WD
Insurer

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
TARDY	LV/WD	

SUMMARY

This bill clarifies that an insurer should provide loss information to the insured's representative.

LD 982 An Act to Provide Equitable Insurance Reimbursement for CARRIED OVER
Acupuncture Services Provided by Licensed Acupuncturists

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
JOSEPH MARTIN J CLARK N BRAWN		

SUMMARY

This bill requires that all health insurance policies, medical service plans and nonprofit health care plans that provide coverage for acupuncture reimburse licensed acupuncturists under the same conditions that apply to the services of a licensed physician.

LD 985 An Act to Enhance the Laws Governing Financial LV/WD
Responsibility

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
REED G BRANNIGAN	LV/WD	

SUMMARY

This bill requires the Secretary of State to suspend the operators' licenses and vehicle registrations of persons who violate state motor vehicle laws unless and until those persons produce proof of financial