

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
116TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1994

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES**

**MAY 1994**

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.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number, 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*

*P&S XXX*

*RESOLVE XXX*

*CON RES XXX*

*EMERGENCY*

*ONTP*

*INDEF PP*

*FAILED ENACTMENT*

*FAILED EMERGENCY ENACTMENT*

*FAILED MANDATE ENACTMENT*

*DIED BETWEEN BODIES*

*CONF CMTE UNABLE TO AGREE*

*VETO SUSTAINED*

*UNSIGNED*

*DIED ON ADJOURNMENT*

*Chapter # of enacted Public Law*

*Chapter # of enacted Private & Special Law*

*Chapter # of enacted Resolve*

*Chapter # of Constitutional Resolution passed by both Houses*

*Enacted law takes effect sooner than 90 days*

*Ought Not to Pass report accepted*

*Bill Indefinitely Postponed*

*Bill failed to get majority vote*

*Emergency bill failed to get 2/3 vote*

*Bill imposing local mandate failed to get 2/3 vote*

*House & Senate disagree; bill died*

*Committee of Conference unable to agree; bill died*

*Legislature failed to override Governor's Veto*

*Not signed by Governor within 10 days*

*Action incomplete when session ended; bill died*

These summaries were prepared by the analyst or analysts assigned to the committee. If you have any suggestions or comments on the summaries, please let us know.

5581LHS

**LD 1703 An Act Concerning the Payment of Medical Expenses in Controverted Workers' Compensation Cases**

P & S 84

**SPONSOR(S)**  
BUSTIN

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-471

**SUMMARY**

This bill addresses the issue of medical payments in controverted workers' compensation cases. It requires health insurers to pay for medical treatment for employees and their dependents and, if the dependent has later prevailed on a workers' compensation claim, allows the repayment of benefits between the employer and insurance carrier or among insurance carriers.

COMMITTEE AMENDMENT "A" (S-471) replaces the entire bill. It directs the Superintendent of Insurance to report back to the Joint Standing Committee on Banking and Insurance by January 15, 1995 on the payment of medical expenses in controverted workers' compensation cases.

**LD 1708 An Act to Protect Consumers in Loan Broker Transactions**

PUBLIC 495

**SPONSOR(S)**  
CARPENTER

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-402

**SUMMARY**

The purpose of this bill is to clarify and strengthen ambiguous and limited provisions in current laws governing loan brokers. In order to accomplish this, the bill makes the following changes to the law.

1. This bill extends the remedies and penalties applicable to credit services organizations that violate specific provisions of the Maine Revised Statutes, Title 9-A to credit service organizations that cause actual damage to consumers through unfair, unconscionable or deceptive practices.
2. The bill also eliminates the requirement that, in a civil action brought by the administrator through the Attorney General, before assessing a civil penalty a court must make a finding of repeated or willful violations or of an assurance of discontinuance.
3. The bill eliminates the minimum and maximum limits on damage awards in civil actions brought by an aggrieved consumer.
4. The bill adds to the remedies and penalties available under this section of law the revocation, suspension or nonrenewal of a credit service organization's registration.

COMMITTEE AMENDMENT "A" (S-402) makes necessary technical changes to conform existing laws to current drafting standards. The amendment also adds a fiscal note to the bill.

**LD 1722 An Act to Promote Economic and Employment Growth in the Financial Services Sector**

PUBLIC 618

**SPONSOR(S)**  
MCCORMICK  
PINEAU

**COMMITTEE REPORT**  
OTP-AM MAJ  
ONTP MIN

**AMENDMENTS ADOPTED**  
S-442

**SUMMARY**

The purpose of this bill is to amend the consumer finance laws to attract providers of credit to originate or service loans in this State. This bill deregulates lender credit card programs so that the

marketplace establishes a reasonable interest rate. It removes the \$12 ceiling on annual credit card fees and allows the marketplace to establish this fee and it removes the prohibition against late charges and allows late fees of the lesser of \$10.00 or 5% of the unpaid installment payment. It amends the sections of law that create a grace period for new purchases so that if an outstanding balance exists from the prior billing cycle the bank may begin charging interest from the posting date.

This bill also requires that the Superintendent of Consumer Credit Protection, in the annual report of the Bureau of Consumer Credit Protection to the Commissioner of Professional and Financial Regulation, examine and report on the employment impact of regulation under the Maine Revised Statutes, Title 9-A to the financial services sector in the State. This report will include input from the Commissioner of Economic and Community Development.

COMMITTEE AMENDMENT "A" (S-442) adds to the Maine Revised Statutes, Title 9-A, section 2-501, subsection 1 a new paragraph G, allowing late fees on credit cards. This amendment deletes the report on employment opportunities within the financial services sector in this State by the Superintendent of the Bureau of Consumer Credit Protection. This amendment adds a fiscal note to the bill and also conforms existing law to current drafting standards.

**LD 1734      An Act Regarding the Use of Social Security Numbers on Health Care Cards      ONTP**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
PINEAU MCCORMICK	ONTP	

**SUMMARY**

This bill allows health care entities to issue to persons within the State customer service cards that bear the social security number of the cardholder. This will assist in holding down administrative costs and in streamlining the health care delivery system.

See also LD 1617.

**LD 1739      An Act Regarding the Workers' Compensation Residual Market Mechanism      PUBLIC 620  
EMERGENCY**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
PINEAU MCCORMICK	OTP-AM	H-887

**SUMMARY**

This bill changes an internal reference from subsection to section. It also clarifies that the insurance carriers participating in the fresh start proceedings of the workers' compensation residual market mechanism pay for the reasonable costs of the superintendent in conducting the proceeding.

COMMITTEE AMENDMENT "A" (H-887) amends the workers' compensation residual market mechanism fresh start proceedings. With regard to the workers' compensation residual market 1992 determination of deficit or surplus currently pending in the Superior Court, if there is a remand of the proceeding, the advisory organization is required to pay the costs of the Superintendent of Insurance's expenses in retaining independent consultants pursuant to the Maine Revised Statutes, Title 24-A, section 208 up to a maximum of \$50,000.