

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
117TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

AUGUST 1995

**Staff:**

*Colleen M. McCarthy, Legislative Analyst*

*Office of Policy and Legal Analysis  
Room 101/107/135, 13 State House Station  
Augusta, ME 04333  
(207)287-1670*

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*\*Denotes Chair*



**Maine State Legislature  
OFFICE OF POLICY AND LEGAL ANALYSIS**

State House Station 13, Augusta, Maine 04333  
Telephone (207) 287-1670  
Telecopier (207) 287-1275

**ONE HUNDRED AND SEVENTEENTH LEGISLATURE  
FIRST REGULAR SESSION**

**SUMMARY OF LEGISLATION BEFORE  
THE JOINT STANDING COMMITTEES**

**AUGUST 1995**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing 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 publication, History and Final Disposition of Legislative Documents, is helpful in determining to which committee any particular bill was referred.

In this document, 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 categories of final action are abbreviated as follows:

<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House &amp; Senate disagree; bill died</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not to Pass report accepted</i>
<i>P&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of enacted Resolve</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

These summaries were prepared by the analyst or analysts assigned to the committee. If more detailed information is needed on a bill, contact the committee analyst.

5581LHS

**LD 262**

**An Act to Allow Banks and Credit Unions to Request the Scheduling of Joint Compliance Examinations by 2 State Regulatory Agencies**

ONTP

**SPONSOR(S)**  
TREAT

**COMMITTEE REPORT**  
ONTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill allows banks and credit unions to request the scheduling of joint compliance examinations by the Bureau of Consumer Credit Protection and the Bureau of Banking.

**LD 266**

**An Act to Revise the Security Deposit and Reinsurance Requirements for Individual Self-insurers**

PUBLIC 150  
EMERGENCY

**SPONSOR(S)**  
CARLETON

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
H-193

**SUMMARY**

Maine businesses that self-insure must demonstrate sufficient financial health to cover liabilities, or they are required to post bonds and security. The financial health of a Maine business is determined with reference to its profit and loss statements, which must be completed in accordance with generally accepted accounting principles. These generally accepted accounting principles allow businesses to elect different treatment of losses for accounting purposes. Current law does not provide flexibility to businesses that elect to absorb paper losses for accounting purposes when those losses do not reflect the underlying financial health of the business. This bill allows a self-insurer to continue to self-insure without posting a bond if the alternative election under generally accepted accounting principles would show that the business is financially sound.

COMMITTEE AMENDMENT "A" (H-193) clarifies that the intent of the bill is to allow a self-insurer to adjust the required bond or reinsurance level if the company was eligible to make an alternative election for the accounting for postretirement benefits that would otherwise have qualified the self-insurer for the working capital offset. The amendment also adds an emergency preamble and an emergency clause to the bill.

**LD 299**

**An Act to Repeal the Prohibition on Prejudgment Attachments in Consumer Credit Cases**

ONTP

**SPONSOR(S)**  
ABROMSON

**COMMITTEE REPORT**  
OTP-AM MAJ

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill repeals the law prohibiting a creditor from obtaining an interest in property of a debtor before entry of judgment in a consumer credit case. This bill also takes out references to the repealed section made in other parts of the statutes.

COMMITTEE AMENDMENT "A" (S-35) is the majority report of the committee and repeals the prohibition against prejudgment attachment and trustee process in litigation against consumers for debts arising from consumer credit transactions. The amendment does not permit such actions ex parte. The amendment also adds a fiscal note to the bill. Committee Amendment "A" was not adopted.