

# 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

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*\*Denotes Chair*



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**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

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
MCCORMICK	OTP-AM MAJ ONTP MIN	S-74

**SUMMARY**

This bill prohibits insurance companies from cancelling, refusing to insure or increasing the rates of motor vehicle liability insurance for a person solely because the person is a volunteer driver.

COMMITTEE AMENDMENT "A" (S-74) clarifies that an insurer is not prohibited from refusing to renew or raising the rate for a volunteer driver on the basis of the driver's increased mileage, accident record or other risk factors. The amendment also adds a fiscal note to the bill.

**LD 887 An Act to Encourage Job Creation by Exempting Small Businesses from the Current Workers' Compensation System**

CARRIED OVER

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
WATERHOUSE		

**SUMMARY**

This bill exempts employers with 5 or fewer employees from the requirement to obtain workers' compensation insurance. In order to be exempt and to obtain a defense against claims by insured employees, the employer would have to provide disability and health insurance coverage to all employees.

**LD 895 An Act to Require Additional Disclosure of Terms in Credit Life and Credit Health Insurance Policies**

PUBLIC 238

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
CLEVELAND	OTP-AM A OTP-AM B ONTP C	S-160

**SUMMARY**

This bill requires that creditors that provide mortgage life insurance under group policies offer similar coverage when the group policies are due to be cancelled. It also prevents creditors and insurers from denying continued insurance coverage on the basis of a preexisting physical condition or illness if the condition has arisen since the date of the original mortgage life insurance policy.

COMMITTEE AMENDMENT "A" (S-160) is the majority report and replaces the original bill. The amendment requires specific bold-printed language in policies and certificates of credit life and credit health insurance that indicates the conditions under which a group policy may be terminated and adds a 30-day "free look" provision to all credit life and credit health insurance policies.

COMMITTEE AMENDMENT "B" (S-161) is the minority report and replaces the original bill. The amendment prohibits any requirement of evidence of insurability for existing debtors when a replacement policy is offered after termination of the group policy. The amendment requires specific bold-printed language in policies and certificates of credit life and credit health insurance that indicates the conditions under which a group policy may be terminated and adds a 30-day "free look" provision to all credit life and credit health insurance policies. Committee Amendment "B" was not adopted.