

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

FIRST REGULAR SESSION

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

JULY 1999

MEMBERS:

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Sen. Neria R. Douglass.

Sen. I. Joel Abromson

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ONE HUNDRED NINETEENTH LEGISLATURE
FIRST REGULAR SESSION

Summary Of Legislation Before The Joint Standing and Select Committees
August 1999

We are pleased to provide this summary of all bills that were considered by the Joint Standing and Select Committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing and select committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CARRIED OVER..... *Bill carried over to Second Regular Session*
CON RES XXX..... *Chapter # of Constitutional Resolution passed by both Houses*
CONF CMTE UNABLE TO AGREE..... *Committee of Conference unable to agree; bill died*
DIED BETWEEN BODIES..... *House & Senate disagree; bill died*
DIED IN CONCURRENCE..... *One body accepts ONTP report; the other indefinitely postpones the bill*
DIED ON ADJOURNMENT..... *Action incomplete when session ended; bill died*
EMERGENCY..... *Enacted law takes effect sooner than 90 days*
ENACTMENT FAILED..... *Bill failed to get vote required for enactment or final passage*
NOT PROPERLY BEFORE THE BODY..... *Ruled out of order by the presiding officers; bill died*
INDEF PP..... *Bill Indefinitely Postponed*
ONTP..... *Ought Not To Pass report accepted*
OTP ND..... *Committee report Ought To Pass In New Draft*
OTP ND/NT..... *Committee report Ought To Pass In New Draft/New Title*
P&S XXX..... *Chapter # of enacted Private & Special Law*
PUBLIC XXX..... *Chapter # of enacted Public Law*
RESOLVE XXX..... *Chapter # of finally passed Resolve*
UNSIGNED..... *Bill held by Governor*
VETO SUSTAINED..... *Legislature failed to override Governor's Veto*

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 18, 1999.

LD 1392

An Act Concerning the Lapse of Automobile Insurance

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEIDRICH	ONTP	

LD 1392 proposed to require an insurance company to notify the Secretary of State within 30 days after the cancellation of an automobile insurance policy that was maintained to meet the requirements of the financial responsibility law. The Secretary of State would have then requested proof of financial responsibility from the former policyholder and, if proof was not given, the Secretary of State would have notified the local law enforcement agency of the noncompliance and the law enforcement agency would have removed the registration plates from the uninsured motor vehicle. Upon notification that financial responsibility had been met, the Secretary of State would have returned the registration plates to the owner.

LD 1409

An Act to Clarify Discounts to Nonsmokers in Health Insurance Premium Rates

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NUTTING J	ONTP	

LD 1409 proposed to clarify the ability of insurers to offer premium discounts based on the smoking status of insureds.

LD 1424

An Act to Require Insurance Coverage for the Treatment of Infertility

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MUSE RAND	ONTP	

LD 1424 proposed to require that health insurance policies include coverage for the treatment of infertility. Under this bill, a contract that provides such coverage would have required a 20% copayment by the insured. The bill would have applied to all policies and contracts in effect on or after January 1, 2000.

LD 1434

An Act to Make Minor Corrections to the Laws Governing Financial Regulation and Debt Collection

PUBLIC 184

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM	H-245

LD 1434 proposed to make various technical corrections and amendments to consumer credit and collection law. It proposed to amend the Maine Consumer Credit Code to clarify legislative intent that only retail credit card plans, not all open-end agreements, are deregulated with respect to interest rates; and to increase the consumer protection bond for supervised lenders from \$25,000 to \$50,000. Further, the bill proposed to amend the Fair Credit Reporting Act to correct and clarify the text of a statutory provision and amended a subsection headnote. Finally, the bill proposed to amend the Maine Fair Debt Collection Practices Act to correct a statutory reference and to provide for the licensing of branch offices of collection agencies.

This bill was submitted on behalf of the Department of Professional and Financial Regulation.

Committee Amendment "A" (H-245) proposed to permit the imposition of late fees on fixed-rate, closed-end subordinate mortgages and increase the minimum finance charge allowed for small loans between \$75 and \$250 from \$7.50 to \$15.

The amendment proposed to allow the Office of Consumer Credit Regulation, the Bureau of Banking, the Securities Division and the Bureau of Insurance to enter into cooperative agreements with other state, federal or foreign regulatory agencies for the sharing of information, coordination of examinations and joint examinations. The amendment proposed to protect the confidentiality of information provided to or by the agencies.

The amendment also proposed to allow these state agencies to contract with experts, professionals and other personnel of other state and federal regulatory agencies to assist in carrying out their regulatory functions.

The amendment proposed to allow the Commissioner of Professional and Financial Regulation to receive and share confidential information from any agency, bureau, board or commission within the department and would have protected the confidentiality of that information.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 184 amends the consumer credit and collection law. It does the following:

1. It amends the Maine Consumer Credit Code to clarify legislative intent that only retail credit card plans, not all open-end agreements, are deregulated with respect to interest rates; and to increase the consumer protection bond for supervised lenders from \$25,000 to \$50,000;
2. It amends the Maine Fair Debt Collection Practices Act to provide for the licensing of branch offices of collection agencies;
3. It permits the imposition of late fees on fixed-rate, closed-end subordinate mortgages and increases the minimum finance charge allowed for small loans between \$75 and \$250 from \$7.50 to \$15;
4. It allows the Office of Consumer Credit Regulation, the Bureau of Banking, the Securities Division and the Bureau of Insurance to enter into cooperative agreements with other state, federal or foreign regulatory agencies for the sharing of information, coordination of examinations and joint examinations. It protects the confidentiality of information provided to or by the agencies. It also allows these state agencies to contract with experts, professionals and other personnel of other state and federal regulatory agencies to assist in carrying out their regulatory functions; and
5. It allows the Commissioner of Professional and Financial Regulation to receive and share confidential information from any agency, bureau, board or commission within the department and protects the confidentiality of that information.