

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
119TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

JULY 2000

**MEMBERS:**

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*Sen. Neria R. Douglass*  
*Sen. I. Joel Abromson*

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**ONE HUNDRED NINETEENTH LEGISLATURE**  
**SECOND REGULAR SESSION**

**Summary Of Legislation Before The Joint Standing Committees**  
**July 2000**

We are pleased to provide this summary of 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](http://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:

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  
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE..... Emergency bill failed to get 2/3 vote  
FAILED ENACTMENT/FINAL PASSAGE..... Bill failed to get majority vote  
FAILED MANDATE ENACTMENT..... Bill imposing local mandate failed to get 2/3 vote  
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 Second Regular Session (unless otherwise specified in a particular law) is August 11, 2000.

*David E. Boulter, Director*  
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equal amounts of coverage. It also specifies the language that must be included in the rejection form provided to purchasers by insurers. The amendment makes this provision applicable to all motor vehicle liability policies issued or renewed on or after October 1, 2000.

The amendment also proposed to add an emergency preamble and emergency clause to the bill.

***Enacted law summary***

Public Law 1999, chapter 663 amends the statutory provisions governing underinsured vehicle coverage in situations when more than one person is injured in a motor vehicle accident involving an underinsured motor vehicle. In these situations, the law requires that the amount of underinsured vehicle coverage available to the injured person is determined by subtracting any payments actually made to the injured person under the motor vehicle liability insurance policy applicable to the particular owner or operator of the underinsured motor vehicle from the injured person's, operator's or owner's underinsured vehicle coverage policy limits if applicable to that person. The amount of recovery must also be reduced by the amount by which the policy limits of the motor vehicle liability insurance policy covering the underinsured motor vehicle exceed the total payments made under the policy to the injured person.

Public Law 1999, chapter 663 also clarifies the provision in Public Law 1999, chapter 271 requiring that the uninsured motor vehicle coverage limits of a motor vehicle insurance policy equal the amount of liability coverage under the policy unless lower amounts of coverage are expressly rejected. Public Law 1999, chapter 663 makes clear that this requirement applies to personal motor vehicle insurance coverage and not to commercial coverage. It prescribes the manner and time frame in which purchasers of personal motor vehicle insurance coverage may reject equal amounts of coverage and specifies the language that must be included in the rejection form provided to purchasers by insurers. Finally, Public Law 1999, chapter 663 delays the implementation of the requirement for equal amounts of coverage for uninsured coverage and liability coverage to all personal motor vehicle liability insurance policies issued or renewed on or after October 1, 2000.

Public Law 1999, chapter 663 was enacted as an emergency effective April 11, 2000.

**LD 2058**

**An Act Relative to Insurance Compliance Self-audit**

**ONTP**

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

LD 2058, which was carried over from the First Regular Session, proposed to create a privilege for self-audit documents maintained by insurers to monitor and facilitate compliance with the Maine Insurance Code. The bill proposed to limit discovery of the self-audit documents in civil, criminal or administrative proceedings against an insurer except in certain circumstances. The bill also proposed to make self-audit documents submitted to the Bureau of Insurance confidential after submission and to specify that the self-audit privilege is not waived after submission of the documents. The bill would not have extended the privilege in civil fraud cases or in criminal proceedings if a court ordered disclosure after review of the documents in camera.