

# MAINE STATE LEGISLATURE

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*State Of Maine  
120th Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Banking and Insurance*

*August 2001*

**Members:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. I. Joel Abromson*

*Sen. Neria R. Douglass*

*Rep. Christopher P. O'Neil, Chair*

*Rep. Benjamin F. Dudley*

*Rep. Nancy B. Sullivan*

*Rep. Marilyn E. Canavan*

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*Rep. Kevin J. Glynn*

*Rep. Florence T. Young*

*Rep. John M. Michael*

**Staff:**

*Colleen McCarthy Reid, Legislative Analyst*

*Office of Policy and Legal Analysis*

*13 State House Station*

*Augusta, ME 04333*

*(207) 287-1670*



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

13 State House Station, Augusta, Maine 04333-0013  
 Telephone: (207) 287-1670  
 Fax: (207) 287-1275

**120th Legislature**  
**First Regular Session**

**Summary Of Legislation Before The Joint Standing Committees**  
**August 2001**

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 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:

*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*  
*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 First Regular Session (unless otherwise specified in a particular law) is **September 21, 2001**.

*David E. Boulter, Director*  
 Offices Located in the State House, Rooms 101/107/135

## Joint Standing Committee on Banking and Insurance

**LD 10**                      **An Act to Require Credit Card Issuers to Provide Greater Notice of Changes in Terms**                      **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GLYNN	ONTP      MAJ OTP-AM      MIN	

LD 10 proposed to increase the notice requirement for changes in terms of credit card accounts to 90 days before the effective date of the changes. Under current law, credit card issuers are required to provide notice at least 30 days before the effective date of changes in terms. The bill also proposed to repeal the provision allowing a credit card issuer to avoid providing notice of a change if the change involves no significant cost to the consumer.

**Committee Amendment "A" (H-27)** was the minority report of the committee. The amendment proposed to change the notice requirement for changes in terms of credit card accounts to 45 days before the effective date of the change. The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

**LD 18**                      **An Act to Allow a Person to Obtain Personal Insurance Instead of Per Vehicle Insurance**                      **ONTP**

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

LD 18 was a concept draft pursuant to Joint Rule 208. The bill proposed to allow a motor vehicle owner to obtain personal automobile liability insurance that insures the person instead of the vehicle. The effect of this bill would be to eliminate the requirement that an owner of more than one vehicle obtain liability insurance for each vehicle; instead the person could obtain a personal liability umbrella policy that would cover the person for whatever motor vehicle the person drove.

**LD 43**                      **An Act to Create a Mandatory Automobile Insurance Premium Discount for Safe, Mature Drivers**                      **PUBLIC 130**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO MCALEVEY	ONTP      MAJ OTP-AM      MIN	H-19

LD 43 proposed to require insurance companies to provide a driver 55 years of age or older a 10% discount on premium charges if the insured completes an approved accident prevention course.

**Committee Amendment "A" (H-19)** was the minority report of the committee. The amendment proposed to require insurance companies to provide a driver 55 years of age or older an appropriate discount on premium charges if the insured successfully completes an accident prevention course approved by the Department of Public

## Joint Standing Committee on Banking and Insurance

Safety, Bureau of Highway Safety. The amendment clarified that in order to maintain eligibility for the discount the insurer may require that the insured or a member of the insured's household insured under the policy not be involved in an at-fault accident, not commit a moving violation and not be subject to a driver's license suspension for a 3-year period after the course is completed. The amendment also added a fiscal note to the bill.

### *Enacted law summary*

Public Law 2001, chapter 130 requires insurance companies to provide a driver 55 years of age or older an appropriate discount on premium charges if the insured successfully completes an accident prevention course approved by the Department of Public Safety, Bureau of Highway Safety. The law also allows an insurer to require that the insured or a member of the insured's household insured under the policy not be involved in an at-fault accident, not commit a moving violation and not be subject to a driver's license suspension for a 3-year period after the course is completed in order to maintain eligibility for the discount.

**LD 49**

**An Act Regarding Civil Actions Involving Insurance Coverage**

**PUBLIC 126**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVAGE W DOUGLASS	OTP-AM MAJ ONTP MIN	H-18

LD 49 proposed to require an insurer to pay costs and attorney's fees if the insured prevails in a declaratory judgment action to determine an insurer's contractual duty to defend the insured. Under the bill, an insured is defined as a natural person, which excludes corporations, trusts, partnerships, incorporated or unincorporated associations and other legal entities from the definition. LD 49 does not create or extend any right or cause of action to 3rd-party claimants under an insurance policy and insureds are not permitted to assign any rights under a policy to any other person. The bill does not apply to life, health, disability and workers' compensation insurance.

**Committee Amendment "A" (H-18)** was the majority report of the committee. The amendment proposed to add accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care or other limited benefit health insurance to the types of insurance that are exempt from the provisions of the bill.

### *Enacted law summary*

Public Law 2001, chapter 126 requires an insurer to pay costs and attorney's fees if the insured prevails in a declaratory judgment action to determine an insurer's contractual duty to defend the insured. It defines an insured as a natural person and excludes corporations, trusts, partnerships, incorporated or unincorporated associations and other legal entities from the definition of an insured. No right or cause of action is created or extended to 3rd-party claimants under an insurance policy and insureds are not permitted to assign any rights under a policy to any other person. Public Law 2001, chapter 126 does not apply to life, health, workers' compensation, accidental injury, specified disease, hospital indemnity, disability income, Medicare supplement, long-term care or other limited benefit health insurance.