

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

Rep. Lisa T. Marrache

Rep. William J. Smith

Rep. Arthur F. Mayo III

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. John M. Michael

Staff:

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**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).

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

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.