

# 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  
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Rep. Florence T. Young  
Rep. John M. Michael*

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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](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 412 proposed to change the requirement on allowing deferment of the first periodic payment in a closed-end credit sale or loan from not more than 90 days to not more than 12 months.

**Committee Amendment "A" (H-80)** proposed to clarify that interest or costs may not be assessed against a consumer as the result of any period of deferral of the initial payment in a closed-end credit sale or loan. The assessment of allowable costs would be permitted if those costs are not associated with the deferral, such as costs incurred by default other than for nonpayment. The amendment also added a fiscal note to the bill.

### *Enacted law summary*

Public Law 2001, chapter 82 allows a creditor to permit a consumer to delay the first periodic payment on a closed-end credit sale or loan for up to 12 months. Under current law, deferral is only permitted for up to 90 days.

Public Law 2001, chapter 82 also prohibits the assessment of interests or costs against a consumer during the deferral period, but permits assessment of allowable costs not associated with the deferral such as costs incurred by default other than for nonpayment.

### **LD 413**

### **An Act to Amend the Definition of "Health Insurance"**

**PUBLIC 79  
EMERGENCY**

<u>Sponsor(s)</u> O'NEIL		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-81
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LD 413 proposed to remove certain limited benefit insurance products from the definition of health insurance and related terms as they relate to mandated medical benefits, coverages and rights involving health care practitioner, hospital, surgical or outpatient services or other forms of medical care.

**Committee Amendment "A" (H-81)** replaced the bill. The amendment proposed to exclude certain limited benefit health insurance products from the definition of "health insurance" and related terms as the terms apply to laws mandating medical benefits and coverage for certain specific health services, specific diseases or certain providers of health care services and to rights and obligations required under Maine Revised Statutes, Title 24-A, chapter 56-A enacted after the effective date of the bill.

The amendment also added an emergency preamble, emergency clause and fiscal note to the bill.

### *Enacted law summary*

Public Law 2001, chapter 79 excludes certain limited benefit health insurance products from the definition of "health insurance" and related terms as the terms apply to laws enacted after the effective date of this law that mandate medical benefits and coverage for certain specific health services, specific diseases or certain providers of health care services and that require certain rights and obligations under the Maine Revised Statutes, Title 24-A, chapter 56-A. The effect of Public Law 2001, chapter 79 is to exempt accidental injury, specified disease, hospital indemnity, disability income, Medicare supplement, long-term care or other limited benefit health insurance from having to comply with mandated benefit laws.

Public Law 2001, chapter 79 was enacted as an emergency measure effective May 2, 2001.