

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

July 2003

Members:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass

Sen. Arthur F. Mayo III

Rep. Christopher P. O'Neil, Chair

Rep. Marilyn E. Canavan

Rep. Joseph C. Perry

Rep. Bonita J. Breault

Rep. Anne C. Perry

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. Lois A. Snowe-Mello

Rep. Michael A. Vaughan

Rep. Richard G. Woodbury

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Maine State Legislature



Office Of Policy And Legal Analysis Office Of Fiscal And Program Review

121st Maine Legislature First Regular Session

Summary Of Legislation Before The Joint Standing Committees

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

<i>CARRIED OVER PURSUANT TO HP 1212</i>	<i>Bills carried over to the 2nd Regular Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP-ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

David C. Elliott, Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Insurance and Financial Services

Committee Amendment "A" (H-347) proposed to require the Superintendent of Insurance to convene a working group to develop recommended legislation relating to life settlement contracts and to submit that legislation to the Second Regular Session of the 121st Legislature.

Enacted Law Summary

Public Law 2003, chapter 320 clarifies that any state or federally chartered financial institution whose deposits are insured by the Federal Deposit Insurance Corporation may act as an escrow agent on accounts containing viatical settlement proceeds.

LD 1438

An Act To Require Disclosure of Benefit Offsets under Disability Insurance Policies

PUBLIC 321

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	OTP-AM	S-154

Disability income insurance policies routinely provide that benefits payable under a policy will be reduced by amounts received from other sources, including claims under other insurance policies such as workers' compensation or social security disability and retirement benefits. These offsets are not always clearly understood by a prospective insured at the time coverage is purchased or selected. LD 1438 proposed to require a clear, written disclosure of any such offsets at or before the time of application or enrollment to ensure that the prospective insured understands the limitation of any benefits under the policy before deciding whether to purchase coverage.

Committee Amendment "A" (S-154) proposed to replace the bill. With regard to individual policies, the amendment proposed to require that insurers provide a clear, written disclosure of any benefit offsets on the application form or in a separate document. With regard to group policies and contract, the amendment proposed to require insurers to include the notice in any written enrollment material and certificate of coverage intended for distribution to persons eligible for coverage under the policy or contract.

Enacted Law Summary

With regard to individual disability income insurance policies, Public Law 2003, chapter 321 requires that insurers provide a clear, written disclosure of any benefit offsets on the application form or in a separate document. With regard to group policies and contracts, the law requires insurers to include the notice in any written enrollment material and certificate of coverage intended for distribution to persons eligible for coverage under the policy or contract.

LD 1458

An Act To Amend the Debt Management Services Laws

PUBLIC 172

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOUGLASS CANAVAN	OTP	

LD 1458 proposed to amend the Nonprofit Debt Management Services Act to clarify that it protects a consumer who pays a fee to have a company negotiate with and arrange installment or reduced payments to creditors, even if