

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

Staff:

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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

the funds are sent directly from the consumer's accounts to the creditors rather than being sent first to the debt management company.

Enacted Law Summary

Public Law 2003, chapter 172 amends the Nonprofit Debt Management Services Act to clarify that the Act protects a consumer who pays a fee to have a company negotiate with and arrange installment or reduced payments to creditors, even if the funds are sent directly from the consumer's accounts to the creditors rather than being sent first to the debt management company.

LD 1481

An Act To Clarify Provisions Governing Corporate-owned Life Insurance Policies

PUBLIC 173

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| O'NEIL LAFOUNTAIN | OTP | |

LD 1481 proposed to add 3 technical amendments to provisions governing a corporation's insurable interest in the lives of its employees, the Maine Revised Statutes, Title 24-A, section 2404, subsection 3.

1. It clarifies that a corporation may have an insurable interest in individuals, such as certain key officers and directors.
2. It clarifies that the proceeds created by a life insurance funded employee benefit program must benefit at least a broad class of employees.
3. It would expressly permit a trust to act as policyholder for corporate-owned life insurance plans.

Enacted Law Summary

Public Law 2003, chapter 173 clarifies that a corporation may have an insurable interest in the life of individual employees, such as certain key officers and directors, and that the proceeds created by a life insurance funded employee benefit program must benefit at least a broad class of employees. The law also expressly permits a trust to act as policyholder for corporate-owned life insurance plans.

LD 1489

An Act To Update and Amend the Revised Maine Securities Act

PUBLIC 201

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| LAFOUNTAIN O'NEIL | OTP-AM | S-91 |

LD 1489 proposed to do the following:

1. It clarifies that sales representatives acting for an issuer in effecting any securities transactions are only exempt from licensing requirements if they are bona fide employees of the issuer;