

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

*Second Regular Session and
Second Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

May 2004

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 Second Regular Session and Second Special 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/billsumm.htm).

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:

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
ONT P.....	Ought Not To Pass report accepted
OTP-ND	Committee report Ought To Pass In New Draft
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
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 that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

David C. Elliott, Director

Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Insurance and Financial Services

LD 1910

**An Act To Implement the Recommendations of the Committee To
Study the Revenue Sources of the Office of Consumer Credit
Regulation**

PUBLIC 654

Sponsor(s)

Committee Report
OTP-AM

Amendments Adopted
S-488

LD 1910 proposed to permit the Director of the Office of Consumer Credit Regulation within the Department of Professional and Financial Regulation to adjust the volume fee rate for creditors and lenders by regulation, subject to a rate cap at the current statutory levels. The bill also directed the Office of Consumer Credit Regulation to review the license and registration fees assessed by the office.

Committee Amendment "A" (S-488) proposed to add a provision to the bill to require that the volume fee for mortgage lenders be reduced by \$5 per \$100,000 of debt for the current year if the surplus in the dedicated fund balance for the Office of Consumer Credit Regulation as of October 1st of the preceding calendar year exceeded 125% of the office's annual budget for operating expenses.

The amendment also proposed to clarify that the recommendations of the Office of Consumer Credit Regulation regarding licensing and registration fees must be submitted to the Joint Standing Committee on Insurance and Financial Services and the Joint Standing Committee on Business, Research and Economic Development.

Enacted Law Summary

Public Law 2003, chapter 654 requires the Director of the Office of Consumer Credit Regulation within the Department of Professional and Financial Regulation to reduce the volume fee for mortgage lenders by \$5 per \$100,000 of debt for the current year if the surplus in the dedicated fund balance for the Office of Consumer Credit Regulation as of October 1st of the preceding calendar year exceeds 125% of the office's annual budget for operating expenses.

The law also directs the Office of Consumer Credit Regulation to review its licensing and registration fees and make recommendations to the Legislature by January 5, 2005 as to how to assess those fees in an equitable manner.

LD 1939

An Act To Decrease Insurance Fraud in This State

ONTP

Sponsor(s)
BUNKER
LAFOUNTAIN

Committee Report
ONTP

Amendments Adopted

Current law requires insurers to develop and implement an antifraud plan to prevent, detect and investigate all forms of insurance fraud. LD 1939 proposed to expand the antifraud provisions by: (1) establishing within the Department of Professional and Financial Regulation, Bureau of Insurance a new Insurance Fraud Investigative Unit, which must include 3 full-time staff members; (2) requiring insurers to create special investigative units within their companies, using fraud investigators, who may be employees of the insurers or independent

Joint Standing Committee on Insurance and Financial Services

contractors; and (3) implementing an assessment on insurers of up to 0.1% of direct premiums written in the State to fund the Insurance Fraud Investigative Unit.