

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

August 2005

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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 June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

Joint Standing Committee on Insurance and Financial Services

LD 1222 **An Act Regarding Cancellation of Disability Insurance** **ONTP**

<u>Sponsor(s)</u> LERMAN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1222 proposed to prohibit the retroactive cancellation of individual disability insurance for any reason other than the nonpayment of the premium. It also proposed to clarify that at least 10 days' prior notice be given before cancellation of group disability insurance.

LD 1242 **An Act To Provide Enhanced Information to Consumers of Health Care** **ONTP**

<u>Sponsor(s)</u> CANAVAN GAGNON		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1242 proposed to require the Bureau of Insurance, Consumer Health Care Division to provide information to consumers regarding executive compensation for carriers doing business in Maine and the medical loss ratio by line of insurance for those carriers.

LD 1286 **An Act To Require Additional Disclosure Regarding Private Mortgage Insurance** **PUBLIC 211**

<u>Sponsor(s)</u> RICHARDSON J SULLIVAN		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-309
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LD 1286 proposed to require supervised lenders and mortgage brokers to disclose to persons applying for a mortgage on residential real property if the mortgage loan includes private mortgage insurance and if the company processing the loan application also engages in the business of private mortgage insurance.

Committee Amendment "A" (H-309) proposed to narrow the scope of the bill to require disclosure to mortgage loan applicants of the fact that the company processing or underwriting the loan application also engages in the business of private mortgage insurance. The amendment also proposed to clarify that the failure to provide the disclosure does not affect the validity or enforceability of the mortgage loan.

Enacted law summary

Public Law 2005, chapter 211 requires supervised lenders and credit services organizations to disclose to persons applying for a mortgage on residential real property if the company processing or underwriting the loan application also engages in the business of private mortgage insurance. The law also clarifies that the failure to provide the disclosure does not affect the validity or enforceability of the mortgage loan.