

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND
FINANCIAL SERVICES**

July 2007

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STATE OF MAINE

123RD LEGISLATURE

FIRST REGULAR SESSION

LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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
ONTP (or Accepted ONTP report).....	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 non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Insurance and Financial Services

LD 100 An Act To Prohibit Retail Store-operated Banks

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FAIRCLOTH	ONTP	

LD 100 prohibits an industrial bank owned directly or indirectly by a commercial entity from establishing or maintaining any branch, agency or other office in this State.

LD 100 and a related bill, LD 635, were voted "Ought Not to Pass" by the committee, but the substantive provisions of these bills were amended and incorporated into a committee bill, LD 1829, An Act to Amend the Banking Laws Regarding the Establishment of Branches by Financial Institutions with Affiliates That Engage in Commercial Activity. See LD 1829, which was enacted as Public Law 2007, chapter 69.

LD 101 An Act To Enhance Screening for Breast Cancer

PUBLIC 153

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HASKELL MITCHELL	OTP-AM	H-181

LD 101 requires health insurance companies and health maintenance organizations to provide coverage for a follow-up mammogram to a screening mammogram when recommended by a physician. Under current law, individual and group health insurance policies must provide coverage for screening mammograms for women age 40 and older. The bill applies to all individual and group policies issued or renewed on or after January 1, 2008.

Committee Amendment "A" (H-181)

This amendment replaces the bill. The amendment clarifies that an additional radiologic procedure recommended by a provider when the results of an initial screening mammogram are not definitive must also be considered a screening mammogram and reimbursed as a screening mammogram under an individual and group health insurance policy.

Enacted Law Summary

Public Law 2007, chapter 153 clarifies that an additional radiologic procedure recommended by a provider when the results of an initial screening mammogram are not definitive must also be considered a screening mammogram and reimbursed as a screening mammogram under an individual and group health insurance policy.

LD 135 An Act To Amend the Debt Management Services Laws

PUBLIC 36

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROMLEY	OTP-AM	S-20

LD 135 amends the State's debt management services laws by permitting for-profit companies to obtain registrations as debt management service providers. The bill clarifies that a debt management service provider must be registered if it serves consumers in this State or if it is located in this State. This bill establishes caps on fees and charges that may be assessed to consumers for debt management services.

Joint Standing Committee on Insurance and Financial Services

Committee Amendment "A" (S-20)

This amendment replaces the bill. As in the bill, this amendment amends the State's debt management services laws by permitting for-profit companies to obtain registrations as debt management service providers. The amendment clarifies that debt management service providers include only those companies that process consumer debt, not commercial debts. The amendment clarifies that a debt management service provider must be registered if it serves consumers in this State or if it is located in this State, but it exempts those companies that are located in Maine but that do not serve consumers in this State from the provisions establishing fee caps and requiring consumer education. It requires that debt management service providers who offer services to Maine consumers use certified counselors and provide consumer education programs. The amendment establishes caps on fees and charges that may be assessed to consumers for debt management services.

The amendment also adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2007, chapter 36 amends the State's debt management services laws by permitting for-profit companies to obtain registrations as debt management service providers. The law clarifies that debt management service providers include only those companies that process consumer debt, not commercial debts. The law clarifies that a debt management service provider must be registered if it serves consumers in this State or if it is located in this State, but it exempts those companies that are located in Maine but that do not serve consumers in this State from the provisions establishing fee caps and requiring consumer education. It requires that debt management service providers who offer services to Maine consumers use certified counselors and provide consumer education programs. The law also establishes caps on fees and charges that may be assessed to consumers for debt management services.

LD 138 An Act To Require Prior Notice before Cancellation of a Life Insurance Policy for Nonpayment of Premiums

PUBLIC 40

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARRACHE	OTP-AM	S-21

LD 138 directs the Superintendent of Insurance to adopt rules that will extend consumer protections currently provided for health insurance to life insurance policies by requiring insurance companies to provide notice prior to cancellation of a policy for nonpayment of premiums to a person other than the policyholder and to allow policyholders to designate a 3rd party to whom such notices must be sent.

Committee Amendment "A" (S-21)

This amendment replaces the bill. The amendment requires that insurance companies provide notice prior to cancellation of a life insurance policy for nonpayment of premiums to the policyholder and a 3rd party that has been designated by the policyholder to receive those notices. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to adopt rules related to the notice provisions. It also directs the Bureau of Insurance to adopt rules to provide restrictions on cancellation, termination or lapse of individual life insurance policies to reduce the danger that life insurance policyholders will lose coverage due to organic brain disease.

Enacted Law Summary

Public Law 2007, chapter 40 requires that insurance companies provide notice prior to cancellation of a life insurance policy for nonpayment of premiums to the policyholder and a 3rd party that has been designated by the policyholder to receive those notices. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to adopt rules related to the notice provisions. It also directs the Bureau of Insurance to adopt rules to provide restrictions on cancellation, termination or lapse of individual life insurance policies to reduce the danger