

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

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

Joint Standing Committee on Insurance and Financial Services

that life insurance policyholders will lose coverage due to organic brain disease.

LD 231 An Act To Modify the Laws Regarding Garnishment of Wages

PUBLIC 7

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

LD 231 revises the Maine Consumer Credit Code so that a garnishment judgment for a consumer credit debt must allow a worker to retain at least the equivalent of the federal or state minimum wage, whichever is higher.

Enacted Law Summary

Public Law 2007, chapter 7 revises the Maine Consumer Credit Code so that a garnishment judgment for a consumer credit debt must allow a worker to retain at least the equivalent of the federal or state minimum wage, whichever is higher.

LD 234 An Act To Amend the Laws Concerning the Assessment of Rates for Workers' Compensation

ONTP

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

LD 234 requires worker's compensation insurers to develop rates that reflect the differences in work activities and exposure to risk of injury for certain occupations.

LD 278 Resolve, To Assess the Feasibility and Efficiency of Combining All Health Insurance Funds Supported by the State

ONTP

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

LD 278 is a concept draft pursuant to Joint Rule 208. This resolve proposes to establish a means to assess the feasibility and efficiency of combining all health insurance funds that in full or in part are supported by the State of Maine.

LD 331 An Act To Incorporate the Federal Real Estate Settlement Procedures Act into the Maine Consumer Credit Code

ONTP

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

LD 331 incorporates the federal Real Estate Settlement Procedures Act of 1974 and its implementing regulation into state law.

LD 331 was voted "Ought Not to Pass" by the committee, but the substantive provisions in the bill were incorporated into LD 1869, An Act to Protect Maine Homeowners from Predatory Lending, and enacted as Public Law 2007, chapter 273.