

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

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

STAFF:

COLLEEN MCCARTHY REID
LEGISLATIVE ANALYST
OFFICE OF POLICY AND LEGAL ANALYSIS
13 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1670

MEMBERS:

SEN. NANCY B. SULLIVAN, CHAIR
SEN. PETER B. BOWMAN
SEN. LOIS A. SNOWE-MELLO

REP. JOHN R. BRAUTIGAM, CHAIR
REP. MARILYN E. CANAVAN
REP. SHARON ANGLIN TREAT
REP. CHARLES R. PRIEST
REP. JILL M. CONOVER
REP. PATSY GARSIDE CROCKETT
REP. WESLEY E. RICHARDSON
REP. MICHAEL A. VAUGHAN
REP. JONATHAN B. MCKANE
REP. DAVID G. SAVAGE

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 1334 Resolve, To Establish a Task Force To Study Strategies To Promote
Financial Literacy**

ONTP

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

LD 1334 is a concept draft pursuant to Joint Rule 208. The resolve would create a task force to study strategies for educating the State's residents about personal finances, including but not limited to budgeting, savings, credit and identity theft, and to make recommendations to the Legislature on how to improve financial literacy throughout the State.

The substance of LD 1334 was incorporated into a joint order, H.P. 1330, Joint Study Order to Establish the Commission to Study Strategies to Promote Financial Literacy. H.P. 1330 was indefinitely postponed.

LD 1389 An Act To Provide for Prompt Resolution of Insurance Claims

ONTP

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

LD 1389 creates a private cause of action by consumers against insurance companies for violations of the Unfair Claims Practices Act of the Maine Insurance Code. The bill amends the Maine Insurance Code to provide for direct actions by injured persons against insurance companies in specific instances, including, but not limited to, when the insured is insolvent, bankrupt or deceased and when the policy being sued upon is for uninsured motorist coverage. The bill also requires property and casualty insurance policies to provide that the insured's insolvency or bankruptcy does not release the insurer from payment of damages under the policy.

LD 1390 An Act Related to Special Purpose Reinsurance Vehicles

**PUBLIC 386
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAUTIGAM	OTP-AM	H-456

LD 1390 allows the establishment of special purpose reinsurance vehicles to facilitate the securitization of insurance risks.

Committee Amendment "A" (H-456)

This amendment replaces the bill. The amendment allows the establishment of special purpose reinsurance vehicles to facilitate the securitization of insurance risks. The amendment removes the prohibition on a special purpose reinsurance vehicle being controlled by, controlling, or being under common control with the ceding insurer. The amendment allows a special purpose reinsurance vehicle to use protected cells as part of one special purpose reinsurance vehicle contract. The amendment also makes changes to update the current law to be consistent with similar legislation in other states. The amendment also adds an emergency preamble and emergency clause.

LD 1390, as amended, was reviewed and evaluated by the Joint Standing Committee on Judiciary pursuant to Maine Revised Statutes, Title 1, section 434, which requires review and evaluation of new exceptions to laws governing public records.

Joint Standing Committee on Insurance and Financial Services

Enacted Law Summary

Public Law 2007, chapter 386 allows the establishment of special purpose reinsurance vehicles to facilitate the securitization of insurance risks. The law removes the prohibition on a special purpose reinsurance vehicle being controlled by, controlling, or being under common control with the ceding insurer. The law allows a special purpose reinsurance vehicle to use protected cells as part of one special purpose reinsurance vehicle contract. The law also makes changes to update the current law to be consistent with similar legislation in other states.

Public Law 2007, chapter 386 was enacted as an emergency measure effective June 21, 2007.

LD 1401 An Act Prohibiting Delivery of Unsolicited Credit Cards

ONTP

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

LD 1401 prohibits mailing or otherwise delivering an unsolicited check or credit card to any person. The bill also immunizes from liability a person in whose name a check or credit card was used if the person received no benefit and did not accept, use, activate or authorize the use of the check or credit card.

LD 1428 An Act To Facilitate Reporting by Maine Financial Institutions of Elder Financial Exploitation

PUBLIC 108

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAUTIGAM MARRACHE	OTP-AM	H-131

LD 1428 establishes that financial institutions and credit unions are permitted to disclose financial records to the Department of Health and Human Services when the financial institution or credit union has reasonable cause to suspect that an incapacitated or dependent adult has been or is at substantial risk of abuse, neglect or exploitation, and it provides immunity for the good faith disclosure of financial records for this purpose.

Committee Amendment "A" (H-131)

This amendment replaces section 3 of the bill to add a cross-reference and clarify language referring to financial institutions and credit unions authorized to do business in this State.

Enacted Law Summary

Public Law 2007, chapter 108 establishes that financial institutions and credit unions are permitted to disclose financial records to the Department of Health and Human Services when the financial institution or credit union has reasonable cause to suspect that an incapacitated or dependent adult has been or is at substantial risk of abuse, neglect or exploitation. The law provides immunity for the good faith disclosure of financial records for this purpose.

LD 1429 An Act To Require Insurance Coverage for Temporomandibular Joint Disorders

**DIED BETWEEN
HOUSES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VAUGHAN	OTP-AM MAJ ONTP MIN	