

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 1429 requires health insurance policies, contracts and certificates to provide coverage for temporomandibular joint disorders. The provisions of this bill apply to all policies, contracts and certificates issued or renewed on or after January 1, 2008.

Committee Amendment "A" (H-605)

This amendment replaces the bill. Like the bill, the amendment requires health insurance policies, contracts and certificates to provide coverage for temporomandibular joint disorders but specifies that such coverage must be provided if coverage would be provided under the policy for musculoskeletal disorders affecting other bones or joints in the body. The amendment requires that coverage be provided for diagnosis and surgical and nonsurgical treatment determined to be medically necessary. The amendment requires coverage for services and treatments provided by a dentist if those treatments and services would be reimbursed under the policy when performed by a licensed physician. The amendment excludes coverage for experimental treatment. The provisions of this bill apply to all policies, contracts and certificates issued or renewed on or after January 1, 2008.

Committee Amendment "A" as amended by House Amendment "B" was adopted in the House, but was not adopted in the Senate.

House Amendment "A" (H-609)

This amendment clarifies that the coverage requirements established in the amendment do not apply for any state employee health plan policy, contract or certificate on or after the effective date of those requirements. It also strikes the appropriations and allocations section. House Amendment "A" to Committee Amendment "A" was not adopted.

House Amendment "B" (H-622)

This amendment provides that the requirements of the legislation apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 2009. House Amendment "B" to Committee Amendment "A" was adopted in the House, but was not adopted in the Senate.

LD 1452

An Act To Protect a Borrower's Right To Use the Borrower's Chosen Accounting Service

PUBLIC 185

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROBINSON HOBBINS	OTP-AM	H-235

LD 1452 provides that a financial institution or credit union authorized to do business in this State may not, in connection with the extension of credit, interfere with a purchaser's or borrower's free choice of an accounting, tax or attest services provider.

Committee Amendment "A" (H-235)

This amendment replaces the bill. Like the bill, the amendment provides that a financial institution or a credit union may not, in connection with the extension of credit, interfere with a purchaser's or borrower's free choice of an accounting, tax or attest services provider; the amendment adds a supervised lender or other creditor to the provision. The amendment clarifies that the accounting, tax or attest services provider must have proper accreditation and permits a financial institution, credit union, supervised lender or other creditor to require that the accounting, tax or attest services provider have adequate liability insurance and meet other written policy requirements established by the financial institution, credit union, supervised lender or other creditor.

Enacted Law Summary

Public Law 2007, chapter 185 provides that a financial institution, credit union, supervised lender or other creditor

Joint Standing Committee on Insurance and Financial Services

may not, in connection with the extension of credit, interfere with a purchaser's or borrower's free choice of an accounting, tax or attest services provider. The law clarifies that the accounting, tax or attest services provider must have proper accreditation and permits a financial institution, credit union, supervised lender or other creditor to require that the accounting, tax or attest services provider have adequate liability insurance and meet other written policy requirements established by the financial institution, credit union, supervised lender or other creditor.

**LD 1474 An Act To Increase the Minimum Medical Payments Coverage in
Automobile Insurance**

PUBLIC 213

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS J	OTP-AM	H-236

LD 1474 raises the minimum amount of insurance coverage required for medical payments for automobile liability insurance from \$1,000 to \$5,000.

Committee Amendment "A" (H-236)

While the bill proposes to increase the minimum amount to \$5,000, this amendment increases the amount of minimum medical payments coverage in automobile insurance policies from \$1,000 to \$2,000. The amendment clarifies that the law applies to automobile insurance policies issued or renewed on or after January 1, 2008.

Enacted Law Summary

Public Law 2007, chapter 213 increases the amount of minimum medical payments coverage in automobile insurance policies from \$1,000 to \$2,000. The law applies to automobile insurance policies issued or renewed on or after January 1, 2008.

**LD 1476 An Act Relating to Bad Check Enforcement Programs Operated by
Private Entities**

PUBLIC 214

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A PERRY J	OTP	

LD 1476 applies the Maine Fair Debt Collection Practices Act to private companies that operate check diversion programs for district attorneys, requiring that such companies be licensed and bonded and that their initial communications to consumers notify consumers of their right to dispute the validity of the alleged debts.

Enacted Law Summary

Public Law 2007, chapter 214 amends the Maine Fair Debt Collection Practices Act to define "debt" to include any obligation or alleged obligation relating to a check returned for insufficient funds if a consumer is subject to an enforcement program operated by a private entity. As a result of the law, private companies that operate check diversion programs for district attorneys will be required to comply with the Maine Fair Debt Collection Practices Act, including requirements that such companies be licensed and bonded and that their initial communications to consumers notify consumers of their right to dispute the validity of the alleged debts.

LD 1489 An Act To Enhance Fairness in Arbitration

PUBLIC 250

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BOWMAN	OTP-AM	S-131