

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

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

Joint Standing Committee on Insurance and Financial Services

LD 1489 does the following.

1. It prohibits the use of binding consumer arbitration agreements unless permitted under federal law.
2. It requires that consumer arbitration agreements contain specific disclosures related to the costs and fees of arbitration.
3. It imposes reporting requirements on arbitration service providers.
4. It prohibits the imposition of the costs of the opposing party if the consumer does not prevail in the arbitration and requires the arbitration provider to waive fees upon request or if the consumer is indigent.
5. It prohibits an arbitration service provider from conducting an arbitration if the provider has a financial interest in a party or legal representative of a party to the arbitration or if a party or legal representative of a party has a financial interest in the arbitration.
6. It preserves certain legal rights of a party when entering into a binding arbitration agreement.
7. It prohibits the use of mandatory binding arbitration clauses in insurance contracts.

Committee Amendment "A" (S-131)

This amendment replaces the bill. The amendment removes the provisions in the bill that regulated the substance of consumer arbitration clauses and retains only the provision requiring that arbitration providers report certain information relating to consumer arbitration proceedings. The amendment requires that the information be reported on a quarterly basis to the Director of the Office of Consumer Credit Regulation within the Department of Professional and Financial Regulation. The amendment requires that the director compile the information in a report to the Joint Standing Committee on Insurance and Financial Services by April 1, 2009 and authorizes the committee to report out legislation.

LD 1489, 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.

Enacted Law Summary

Public Law 2007, chapter 250 requires arbitration providers to report certain information relating to consumer arbitration proceedings on a quarterly basis to the Director of the Office of Consumer Credit Regulation within the Department of Professional and Financial Regulation. The law requires that the Director of the Office of Consumer Credit Regulation compile the information in a report to the Joint Standing Committee on Insurance and Financial Services by April 1, 2009 and gives the Joint Standing Committee authority to report out legislation related to consumer arbitration proceedings.

LD 1502 An Act To Clarify and Update the Laws Related to Property and Casualty Insurance

PUBLIC 188

Sponsor(s)

PRIEST

Committee Report

OTP

Amendments Adopted

LD 1502 makes the following changes to clarify and update the laws related to property and casualty insurance.