

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
SECOND REGULAR AND FIRST SPECIAL SESSIONS



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

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

May 2008

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STATE OF MAINE
123RD LEGISLATURE
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**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 Second Regular or First Special Sessions of the 123rd Maine Legislature.

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:

<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.¹ The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123rd Legislature.

¹ The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

Joint Standing Committee on Insurance and Financial Services

LD 2109 An Act Relating to Insurance Coverage for Colorectal Cancer Early Detection

PUBLIC 516

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAZUREK	OTP-AM MAJ ONTP MIN	H-697

LD 2109 requires health insurance policies, contracts and certificates to provide coverage for colorectal cancer screening. The provisions of this bill apply to all policies, contracts and certificates issued or renewed on or after January 1, 2009.

Committee Amendment "A" (H-697)

This amendment replaces the bill and is the majority report of the committee. The amendment requires health insurance policies, contracts and certificates to provide coverage for colorectal cancer screening recommended by health care providers in accordance with guidelines published by the American Cancer Society. The amendment clarifies that, if a colonoscopy is provided as the screening procedure and a lesion is discovered and removed, the health care provider must bill the insurer for a screening colonoscopy as the primary procedure. The provisions of the amendment apply to all policies, contracts and certificates issued or renewed on or after January 1, 2009.

Enacted Law Summary

Public Law 2007, chapter 516 requires health insurance policies, contracts and certificates to provide coverage for colorectal cancer screening recommended by health care providers in accordance with guidelines published by the American Cancer Society. The law also provides that, if a colonoscopy is provided as the screening procedure and a lesion is discovered and removed, the health care provider must bill the insurer for a screening colonoscopy as the primary procedure.

Public Law 2007, chapter 516 applies to all individual and group policies, contracts and certificates issued or renewed on or after January 1, 2009.

LD 2125 An Act Relating to Mortgage Lending and Credit Availability

PUBLIC 471
EMERGENCY

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

Public Law 2007, chapter 273 enacted into law, effective January 1, 2008, changes to the truth in lending laws of the Maine Consumer Credit Code to protect homeowners from predatory lending practices. LD 2125 clarifies that law by doing the following.

1. It amends definitions in the current law such as "nontraditional mortgage," "points and fees" and "residential mortgage loan" and adds other definitions to aid in the implementation and enforcement of the law.
2. It specifies that a subprime mortgage loan is a type of residential mortgage loan.
3. It specifies what reasonable alternatives may be used by a creditor to verify a borrower's income, requires the determination to be documented and removes language that allowed the creditor to consider and disregard statements submitted by or on behalf of the borrower regarding the borrower's income.
4. It provides an exemption from the general civil liability law for those residential mortgage loans that are subject to the penalties imposed specifically for violations of the law regarding residential mortgage loans,

Joint Standing Committee on Insurance and Financial Services

5. It specifies that the restriction on flipping a loan only applies to a residential mortgage loan when making a subprime mortgage loan.
6. It corrects several cross-references.

LD 2125 was considered by the Legislature without reference to committee.

Enacted Law Summary

Public Law 2007, chapter 471 makes changes to clarify certain provisions of Public Law 2007, chapter 273 enacted into law, effective January 1, 2008, relating to predatory lending practices.

1. The law amends the definitions of "nontraditional mortgage," "points and fees" and "residential mortgage loan" and adds other definitions.
2. The law specifies that a subprime mortgage loan is a type of residential mortgage loan.
3. The law specifies what reasonable alternatives may be used by a creditor to verify a borrower's income, requires the determination to be documented and removes language that allowed the creditor to consider and disregard statements submitted by or on behalf of the borrower regarding the borrower's income.
4. The law provides an exemption from the general civil liability law for those residential mortgage loans that are subject to the penalties imposed specifically for violations of the law regarding residential mortgage loans.
5. The law specifies that the restriction on flipping a loan only applies to a residential mortgage loan when making a subprime mortgage loan.

Public Law 2007, chapter 471 was enacted as an emergency measure and made retroactive to January 1, 2008.

LD 2139 Resolve, Directing the Bureau of Financial Institutions To Study Data Security Breaches in the State

RESOLVE 152

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUMMINGS	OTP-AM	H-698

LD 2139 directs the Department of Professional and Financial Regulation, Bureau of Financial Institutions to study the effect of data security breaches on Maine banks and credit unions, including the damages suffered as a result of these breaches, and report its findings to the Legislature no later than February 1, 2009.

Committee Amendment "A" (H-698)

This amendment replaces the resolve. The amendment directs the Department of Professional and Financial Regulation, Bureau of Financial Institutions to study the effect of data security breaches on Maine banks and credit unions, including the response of banks and credit unions and the actual costs and expenses incurred as a result of such breaches. The resolve requires the Bureau of Financial Institutions to submit its findings to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters by December 1, 2008.

Enacted Law Summary

Resolve 2007, chapter 152 directs the Department of Professional and Financial Regulation, Bureau of Financial Institutions to study the effect of data security breaches on Maine banks and credit unions, including the response of banks and credit unions and the actual costs and expenses incurred as a result of such breaches. The resolve requires the Bureau of Financial Institutions to submit its findings to the joint standing committee of the Legislature having