

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

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

Joint Standing Committee on Insurance and Financial Services

jurisdiction over insurance and financial services matters by December 1, 2008.

LD 2157 An Act To Implement the Recommendations of the Joint Standing Committee on Insurance and Financial Services Regarding Reporting on Lyme Disease and Other Tick-borne Illnesses

PUBLIC 561

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|--------------------------|---------------------------|
| | OTP-AM MAJ OTP-AM MIN | S-480 |

LD 2157 is a recommendation of the majority of the Joint Standing Committee on Insurance and Financial Services, and is the result of the committee's study and review of issues regarding Lyme disease and other tick-borne illnesses, which took place between the First Regular Session and Second Regular Session of the 123rd Legislature. The bill requires the Department of Health and Human Services, Maine Center for Disease Control and Prevention to report annually beginning February 1, 2009 to the Legislature on the incidence of Lyme disease and other tick-borne illnesses in the State, the recommended treatment guidelines for Lyme disease, medical studies on the treatment of Lyme disease and other tick-borne illnesses and the activities of the Maine Center for Disease Control and Prevention focused on education, prevention and treatment of Lyme disease and other tick-borne illnesses. The bill also requires that health insurers and the Superintendent of Insurance report annually on health insurance claims for the treatment Lyme disease and other tick-borne illnesses, including information on the number of approved claims, claim denials and the outcome of both internal and external appeals processes.

Committee Amendment "A" (S-480)

This amendment is the majority report of the committee. The amendment clarifies the required information in the annual report to be submitted by the Department of Health and Human Services, Maine Center for Disease Control and Prevention.

Committee Amendment "B" (S-481)

This amendment replaces the bill and is the recommendation of the minority of the committee. Part A of the amendment requires health insurance companies to provide coverage for the treatment of Lyme disease. The mandated coverage applies to all individual and group health insurance policies issued or renewed on or after January 1, 2009.

Part B of the amendment requires the Department of Health and Human Services, Maine Center for Disease Control and Prevention to develop a public health curriculum for the awareness and prevention of Lyme disease and other tick-borne illnesses in elementary schools in the State. Part B also requires the Department of Inland Fisheries and Wildlife and the Maine Center for Disease Control and Prevention to develop a wildlife management program to control the prevalence of ticks that transmit Lyme disease in the State. This Part also adds an appropriations and allocations section.

Committee Amendment "B" was not adopted.

Enacted Law Summary

Public Law 2007, chapter 561 requires the Department of Health and Human Services, Maine Center for Disease Control and Prevention to report annually beginning February 1, 2009 to the Legislature on the incidence of Lyme disease and other tick-borne illnesses in the State, the recommended treatment guidelines for Lyme disease, medical studies on the treatment of Lyme disease and other tick-borne illnesses and the activities of the Maine Center for Disease Control and Prevention focused on education, prevention and treatment of Lyme disease and other tick-borne illnesses.

Public Law 2007, chapter 561 also requires that health insurers and the Superintendent of Insurance report annually