

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during the First Regular Session of the 124th Maine Legislature coming from the

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

July 2009

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STATE OF MAINE

124TH 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 First Regular Session of the 124th 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:

CARRIED OVER.....	Carried over to a subsequent session of the Legislature
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; bill died
ONTP (or Accepted ONTP report).....	Ought Not To Pass report accepted; bill died
P&S XXX.....	Chapter # of enacted Private & Special Law
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

The effective date for non-emergency legislation enacted in the First Regular Session of the 124th Legislature is September 12, 2009. 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 688 An Act To Equalize Annuity and Structured Settlement Annuity Benefits with Life Insurance under the Maine Life and Health Insurance Guaranty Association

**PUBLIC 77
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BOWMAN	OTP-AM	S-40

This bill increases the maximum benefit the Maine Life and Health Insurance Guaranty Association may be obligated to cover from \$100,000 to \$300,000 for net cash surrender and net cash withdrawal benefits for life insurance, annuity benefits and structured settlement annuities. The aggregate of \$300,000 in benefits with respect to one life contract and a structured settlement annuity remain the same.

Committee Amendment "A" (S-40)

This amendment replaces the bill. The amendment increases the maximum benefit the Maine Life and Health Insurance Guaranty Association may be obligated to cover from \$100,000 to \$250,000 for annuity benefits and structured settlement annuities. The bill proposed an increase to \$300,000. The amendment does not include any increase in the maximum benefit for net cash surrender and net cash withdrawal benefits for life insurance, which was proposed in the bill. The amendment also adds an emergency preamble and clause and provides that it applies to an insolvency of an insurance company who is a member of the Maine Life and Health Insurance Guaranty Association that occurs on or after the effective date of the Act.

Enacted Law Summary

Public Law 2009, chapter 77 increases the maximum benefit the Maine Life and Health Insurance Guaranty Association may be obligated to cover from \$100,000 to \$250,000 for annuity benefits and structured settlement annuities.

Public Law 2009, chapter 77 was enacted as an emergency measure effective May 4, 2009; however, the law provides that it applies to an insolvency of an insurance company who is a member of the Maine Life and Health Insurance Guaranty Association that occurs on or after May 4, 2009.

LD 715 An Act To Enable the Use of Credit Cards for Governmental Transactions

PUBLIC 113

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT P MARRACHE	OTP-AM	H-100

This bill allows a county, municipality or quasi-municipal corporation to impose a surcharge for the use of a credit card to pay for taxes, fines, fees and services provided as long as the amount of the surcharge is disclosed to the consumer prior to payment and the amount does not exceed the costs incurred by the governmental entity for providing the credit card payment option.

Committee Amendment "A" (H-100)

This amendment replaces the bill. The amendment allows a county, municipality or quasi-municipal corporation and the Judicial Department to impose a surcharge for the use of a credit card or debit card to pay for taxes, fines and

Joint Standing Committee on Insurance and Financial Services

services provided as long as the surcharge is disclosed to the consumer prior to payment and the amount does not exceed the costs incurred by the governmental entity. The amendment clarifies that a surcharge may be imposed for the use of a debit card if the governmental entity is charged a fee associated with debit card transactions. The amendment requires that the governmental entity disclose to the consumer that the consumer can avoid the surcharge by paying by cash, check or other means not a credit card or debit card. The amendment also clarifies that the governmental entity has no liability to the credit card or debit card company or card processor for nonpayment of credit card or debit card charges by the consumer.

Enacted Law Summary

Public Law 2009, chapter 113 allows a county, municipality or quasi-municipal corporation and the Judicial Department to impose a surcharge for the use of a credit card or debit card to pay for taxes, fines and services provided as long as the surcharge is disclosed to the consumer prior to payment and the amount does not exceed the costs incurred by the governmental entity. The law requires that the governmental entity disclose to the consumer that the consumer can avoid the surcharge by paying by cash, check or other means not a credit card or debit card.

Public Law 2009, chapter 113 permits a surcharge to be imposed for the use of a debit card if the governmental entity is charged a fee associated with debit card transactions. The law also clarifies that the governmental entity has no liability to the credit card or debit card company or card processor for nonpayment of credit card or debit card charges by the consumer.

LD 728 An Act To Protect Homeowners in Foreclosure Proceedings

ONTP

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

This bill extends the period of redemption in residential foreclosure proceedings initiated on or after October 1, 2009 on any mortgage to one year. The bill also requires the use of alternative dispute resolution in foreclosures.

LD 754 An Act Regarding Subrogation of Medical Payments Coverage

PUBLIC 222

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LEGG	OTP-AM MAJ ONTP MIN	H-168

This bill strikes language in the law that allows subrogation or priority over the insured of medical payments in certain instances in a casualty insurance policy for any hospital, nursing, medical or surgical services or of any expenses paid or reimbursed under the medical payments coverage in the policy in the event the insured is entitled to receive payment.

Committee Amendment "A" (H-168)

This amendment, which is the majority report of the committee, replaces the bill. The amendment allows subrogation or priority over the insured of medical payments in certain instances in a casualty insurance policy for any hospital, nursing, medical or surgical services or of any expenses paid or reimbursed under the medical payments coverage in the policy only when an insured's awarded or settled damages exceed \$20,000.