

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

**STATE OF MAINE**  
124<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

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

July 2009

**STAFF:**

COLLEEN MCCARTHY REID  
LEGISLATIVE ANALYST  
OFFICE OF POLICY AND LEGAL ANALYSIS  
13 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1670

**MEMBERS:**

SEN. PETER B. BOWMAN, CHAIR  
SEN. JUSTIN L. ALFOND  
SEN. EARLE L. MCCORMICK

REP. SHARON ANGLIN TREAT, CHAIR  
REP. CHARLES R. PRIEST  
REP. PAULETTE G. BEAUDOIN  
REP. HENRY E.M. BECK  
REP. ADAM GOODE  
REP. EDWARD P. LEGG  
REP. TERRY K. MORRISON  
REP. WESLEY E. RICHARDSON  
REP. WINDOL C. WEAVER  
REP. LESLIE T. FOSSEL

# STATE OF MAINE

124<sup>TH</sup> 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 124<sup>th</sup> 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 124<sup>th</sup> 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*

language used in the Maine property insurance cancellation control laws.

The amendment makes it clear that insurers issuing homeowners policies are not liable under those policies for losses arising out of the family child care business unless coverage is specifically provided under the policy or a rider providing business liability coverage. The amendment also clarifies the circumstances under which a property insurer has no duty to defend or indemnify a family child care provider who has obtained business liability coverage for the operations of the family child care business. The amendment requires the insurer to disclose to family child care providers that the failure to maintain separate insurance coverage for business liability may result in the cancellation or nonrenewal of the homeowners insurance policy.

The amendment removes the provision in the bill that prohibited an insurer from restricting coverage under any rider for a family child care provider based on the number of children cared for in the home except as provided in the family child care provider's certification.

### **Enacted Law Summary**

Public Law 2009, chapter 185 prohibits an insurer from refusing to issue or renew or from cancelling a homeowner's policy if the insured can demonstrate satisfactory evidence of liability coverage for the operations of the family child care business. The law makes it clear that insurers issuing homeowners policies are not liable under those policies for losses arising out of the family child care business unless coverage is specifically provided under the policy or a rider providing business liability coverage. In addition, the law clarifies the circumstances under which a property insurer has no duty to defend or indemnify a family child care provider who has obtained business liability coverage for the operations of the family child care business.

Public Law 2009, chapter 185 also requires the insurer to disclose to family child care providers that the failure to maintain separate insurance coverage for business liability may result in the cancellation or nonrenewal of the homeowners insurance policy.

**LD 917**

### **An Act To Prevent the Unauthorized or Deceptive Use of the Names of Financial Institutions**

**PUBLIC 103**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PRIEST BOWMAN	OTP	

This bill prohibits the unauthorized or deceptive use of the name of a financial institution, credit union, holding company, affiliate or subsidiary in any advertisement or solicitation. The bill also grants to the Superintendent of Financial Institutions the authority to impose civil penalties and provides financial institutions, credit unions, holding companies, affiliates and subsidiaries with remedies against unauthorized or deceptive uses of their names.

### **Enacted Law Summary**

Public Law 2009, chapter 103 prohibits the unauthorized or deceptive use of the name of a financial institution, credit union, holding company, affiliate or subsidiary in any advertisement or solicitation. The law also grants to the Superintendent of Financial Institutions the authority to impose civil penalties and provides financial institutions, credit unions, holding companies, affiliates and subsidiaries with remedies against unauthorized or deceptive uses of their names.