

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

July 2011

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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

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; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Insurance and Financial Services

Enacted Law Summary

Public Law 2011, chapter 427 repeals Article 8 of the Maine Consumer Credit Code and enacts Article 8-A, which requires creditors to comply with federal truth-in-lending laws and regulations. The law retains provisions in current state law that provide more protection for consumers than federal law and makes those provisions applicable only to nondepository lenders. The retained provisions are not applicable to state-chartered financial institutions and credit unions and the Maine State Housing Authority.

Public Law 2011, chapter 427 amends the Maine Consumer Credit Code relating to the registration of loan officers, since those provisions have been supplanted by new statutes governing the licensing of mortgage loan originators, and permits adjustments in the licensing process for nonbank supervised lenders and loan brokers to allow regulators to continue to adopt the nationwide mortgage licensing system program for those entities.

Public Law 2011, chapter 427 also requires the Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection to facilitate meetings and other communications among interested parties to evaluate and determine the ways in which the State's foreclosure prevention outreach and housing counseling program may be streamlined and made more efficient.

LD 1352

An Act To Implement the Requirements of the Federal Nonadmitted and Reinsurance Reform Act of 2010

**PUBLIC 331
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RICHARDSON W	OTP-AM	H-543

This bill amends surplus lines eligibility standards and nonadmitted insurance premium tax laws to conform to the requirements of the federal Nonadmitted and Reinsurance Reform Act of 2010. It authorizes the State Tax Assessor to enter into a multistate agreement as directed by federal law; transfers the administration of self-procured insurance premium taxes from the Department of Professional and Financial Regulation, Bureau of Insurance to the Department of Administrative and Financial Services, Maine Revenue Services; and makes conforming technical changes to other provisions of the surplus lines insurance and premium tax laws.

Committee Amendment "A" (H-543)

The amendment clarifies provisions in the bill by adopting explicit language from federal law rather than incorporating the federal law through cross-reference. The amendment clarifies that, in accordance with the federal Nonadmitted and Reinsurance Reform Act of 2010, Maine's surplus lines law pertains to those transactions when Maine is the home state of the applicant or the insured. The amendment clarifies that diligent search requirements generally required before coverage can be placed in the nonadmitted market do not apply to commercial purchasers defined as exempt from those requirements under federal law. The amendment adds definitions of several terms used within the surplus lines law. The amendment clarifies how United States insurers and non-United States insurers may become eligible surplus lines insurers.

The amendment also requires that the Department of Administrative and Financial Services, Maine Revenue Services consult with the Department of Professional and Financial Regulation, Bureau of Insurance and complete a fiscal analysis of the impact on the State's gross receipt of premium tax before entering into any multistate agreement with respect to the reporting, allocation and collection of surplus lines premium taxes on multistate risks. The amendment also requires that Maine Revenue Services consult with representatives of surplus lines insurers, admitted insurers and surplus lines producers when making a determination that entering into a multistate agreement is in the State's financial best interest and consistent with the federal Nonadmitted and Reinsurance Reform Act of 2010.

