

# MAINE STATE LEGISLATURE

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



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

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

August 2017

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# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128<sup>th</sup> 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. An appendix provides a summary of relevant session statistics.

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 128<sup>th</sup> Legislature is Wednesday, November 1, 2017. 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

connection with marketing and retention of contracts from \$20 per person to \$100 per person and increases the maximum value of prizes awarded in raffles and drawings from \$100 to \$500.

### Enacted Law Summary

Public Law 2017, chapter 84 allows a person to offer or provide services, whether or not the services are directly related to an insurance contract, for free or for less than fair market value, as long as the receipt of the services is not contingent upon the purchase of insurance and the recipient of the services is notified in writing that the services are not contingent on the purchase of insurance. The law also increases the dollar limits for permissible gifts in connection with the marketing and retention of insurance contracts from \$20 per person to \$100 per person and increases the maximum value of prizes awarded in raffles and drawings in connection with the marketing and retention of insurance contracts from \$100 to \$500.

### LD 1164 An Act To Facilitate Small Loans in Maine

ONTP

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

This bill amends the Maine Consumer Credit Code. It enacts requirements for loans of \$2,000 or less and it authorizes consumer loan lenders and open-end credit creditors to charge origination fees and monthly maintenance fees.

### LD 1198 An Act To Enhance the Administration of the State's Group Health Plan

PUBLIC 56  
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FOLEY R	OTP	

This bill allows the term of the contract for the State's group health plan to be extended in one-year increments for up to three additional years.

### Enacted Law Summary

Public Law 2017, chapter 56 allows the term of the contract for the State's group health plan to be extended in one-year increments for up to three additional years.

Public Law 2017, chapter 56 was enacted as an emergency measure effective May 11, 2017.

### LD 1199 An Act To Promote Fiscal Responsibility in the Purchasing of Debt

PUBLIC 216

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANBORN H WHITTEMORE R	OTP-AM	H-468

This bill amends the Maine Fair Debt Collection Practices Act in the following ways.

1. It defines the term "debt buyer" and requires debt buyers to obtain debt collector licenses from the Superintendent of Consumer Credit Protection.

## *Joint Standing Committee on Insurance and Financial Services*

2. It requires creditors to transfer specific documentation when selling or otherwise transferring a consumer debt to another creditor or to a debt buyer.
3. It prevents a debt buyer from obtaining a default judgment in a collection action due to the nonappearance of the consumer in court and instead requires the debt buyer to provide admissible evidence in support of its claim.
4. It prohibits a debt buyer from seeking to garnish a consumer's wages to enforce a judgment obtained against the consumer in a collection action.
5. It makes it unlawful for a creditor or a debt collector to attempt to collect a debt that has been paid, discharged in bankruptcy court or for which the statute of limitations has expired.

This bill also amends the Maine Revised Statutes, Title 16 to prevent debt buyers from enjoying the presumption of correctness attendant to an account annexed form of court action when bringing a lawsuit to enforce a debt.

### **Committee Amendment "A" (H-468)**

This amendment makes the following changes to the bill.

1. It clarifies that the definition of "debt buyer" does not apply to a supervised financial organization or a person that acquires charged-off consumer debt incidental to the purchase of a portfolio predominantly consisting of consumer debt that has not been charged off.
2. It clarifies that debt buyers must conduct criminal background checks on their officers and employees who are actively engaged in the collection of debt. The bill proposes to require all officers and employees of debt buyers to be licensed as debt buyers.
3. It removes provisions in the bill relating to garnishment of wages.
4. It modifies the specific documentation that a creditor or debt collector must have when collecting or attempting to collect a debt.
5. It increases the maximum penalties that may be assessed against a debt buyer that has violated a provision of the Maine Fair Debt Collection Practices Act.
6. It specifies that the provisions of the bill apply to a debt buyer with respect to debts sold on or after January 1, 2018.

### **Enacted Law Summary**

Public Law 2017, chapter 216 amends the Maine Fair Debt Collection Practices Act in the following ways.

1. It defines the term "debt buyer" and clarifies that the definition does not apply to a supervised financial organization or a person that acquires charged-off consumer debt incidental to the purchase of a portfolio predominantly consisting of consumer debt that has not been charged off.
2. It requires that debt buyers must conduct criminal background checks on their officers and employees who are actively engaged in the collection of debt.
3. It requires creditors to transfer specific documentation when selling or otherwise transferring a consumer debt to another creditor or to a debt buyer.
4. It prevents a debt buyer from obtaining a default judgment in a collection action due to the nonappearance of the consumer in court and instead requires the debt buyer to provide admissible evidence in support of its claim.

## Joint Standing Committee on Insurance and Financial Services

5. It increases the maximum penalties that may be assessed against a debt buyer that has violated a provision of the Maine Fair Debt Collection Practices Act.

Public Law 2017, chapter 216 specifies that the provisions of the law apply to a debt buyer with respect to debts sold on or after January 1, 2018.

### LD 1229 An Act To Ensure Life Insurance Claims Are Paid

PUBLIC 129

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TERRY M	OTP-AM	H-241

This bill requires life insurers holding unclaimed money to exercise due diligence in finding and notifying all beneficiaries entitled to the money before disposing of the money pursuant to the Uniform Unclaimed Property Act.

#### Committee Amendment "A" (H-241)

This amendment replaces the bill. The amendment requires life insurers to implement specific procedures for confirming the death of a policyholder and identifying beneficiaries or other persons entitled to payment of life insurance policies.

#### Enacted Law Summary

Public Law 2017, chapter 129 requires life insurers to implement specific procedures for confirming the death of a policyholder and identifying beneficiaries or other persons entitled to payment of life insurance policies.

### LD 1237 An Act To Require Insurance Coverage for Contraceptive Supplies

PUBLIC 190

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J KATZ R	OTP-AM ONTP	H-179

This bill expands the requirements in current law relating to coverage of contraceptives to include coverage for contraceptive supplies approved by the federal Food and Drug Administration for a three-month supply for the first dispensing and a 12-month supply for a subsequent dispensing of the same contraceptive supply. Coverage must be provided without imposing any cost-sharing. The requirements apply to all individual and group policies and contracts issued or renewed on or after January 1, 2018.

#### Committee Amendment "A" (H-179)

This amendment is the majority report of the committee and replaces the bill. It amends the requirements in current law relating to coverage of contraceptives to include coverage for contraceptive supplies without cost sharing for at least one drug, device or other product for each contraceptive method. If a health care provider recommends a particular contraceptive supply on the basis of medical necessity, coverage must be provided for that particular supply without cost sharing. The amendment also clarifies that coverage must be provided for contraceptives dispensed for a 12-month period at the discretion of the health care provider.

The requirements apply to all individual and group policies and contracts issued or renewed on or after January 1, 2019. The amendment also adds language exempting the bill from the provisions of the Maine Revised Statutes, Title 24-A, section 2752.