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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 531, L.D. 1506, Bill, “An Act To Amend the Usage and Consumer Protections of Guaranteed Asset Protection Waivers”

Amend the bill in section 1 in §1500-H in subsection 1 by striking out all of paragraph J (page 2, line 3 in L.D.) and inserting the following:

'J. "Superintendent" means, except in cases in which a financial institution authorized to do business in this State, as defined in Title 9-B, section 131, subsection 17-A, is the creditor, the Superintendent of Consumer Credit Protection. In cases in which a financial institution authorized to do business in this State is the creditor, "superintendent" means the Superintendent of Financial Institutions.'

Amend the bill in section 1 in §1500-H in subsection 3 in the first line (page 2, line 37 in L.D.) by striking out the following: "**policies**" and inserting the following: '**policy**'

Amend the bill in section 1 in §1500-H in subsection 3 in the 2nd line (page 2, line 38 in L.D.) by striking out the following: "**policies**" and inserting the following: '**policy**'

Amend the bill in section 1 in §1500-H in subsection 3 in paragraph C in the 2nd and 3rd lines (page 3, line 7 and 8 in L.D.) by striking out the following: "terminated in compliance with applicable insurance laws of this State" and inserting the following: 'nonrenewed as provided in Title 24-A'

Amend the bill in section 1 in §1500-H in subsection 3 in paragraph D in the first line (page 3, line 9 in L.D.) by striking out the following: "termination" and inserting the following: 'nonrenewal'

Amend the bill in section 1 in §1500-H in subsection 3 in paragraph D in the 3rd line (page 3, line 11 in L.D.) by striking out the following: "termination" and inserting the following: 'nonrenewal'

Amend the bill in section 1 in §1500-H in subsection 5 in paragraph A in the first line (page 4, line 1 in L.D.) by striking out the following: "may be cancellable or noncancellable" and inserting the following: 'must be cancellable'

COMMITTEE AMENDMENT

1 Amend the bill in section 1 in §1500-H in subsection 5 in paragraph B in the 3rd line
2 (page 4, line 7 in L.D.) by inserting after the following: "entitled to a" the following:
3 'pro rata'

4 Amend the bill in section 1 in §1500-H in subsection 5 in paragraph B in the 4th line
5 (page 4, line 8 in L.D.) by striking out the following: "unless the waiver provides
6 otherwise"

7 Amend the bill in section 1 in §1500-H in subsection 6 in the blocked paragraph in
8 the 2nd line (page 4, line 27 in L.D.) by inserting after the following: "in this State." the
9 following: 'In cases in which a financial institution authorized to do business in this
10 State, as defined in Title 9-B, section 131, subsection 17-A, is a creditor, the
11 Superintendent of Financial Institutions is responsible for enforcement.'

12 Amend the bill in section 1 in §1500-H in subsection 7 in paragraph A by striking out
13 all of subparagraph (1) (page 4, lines 40 and 41 in L.D.) and inserting the following:

14 '(1) An insurance policy or a guaranteed asset protection insurance policy offered
15 by an insurer under Title 24-A; or'

16 Amend the bill in section 1 in §1500-H in subsection 7 in paragraph A in
17 subparagraph (2) in the first line (page 5, line 1 in L.D.) by inserting after the following:
18 "contract offered" the following: 'by a financial institution authorized to do business in
19 this State, as defined in Title 9-B, section 131, subsection 17-A.'

20 Amend the bill in section 1 in §1500-H in subsection 7 in paragraph C in the first 2
21 lines (page 5, lines 7 and 8 in L.D.) by striking out the following: "the insurance laws of
22 this State" and inserting the following: 'Title 24-A'

23 SUMMARY

24 This amendment makes the following changes to the bill.

- 25 1. It clarifies that guaranteed asset protection waivers must include a cancellation
26 provision and ensures that consumers are entitled to pro rata refunds upon cancellation.
- 27 2. It includes specific references to the Maine Revised Statutes, Title 24-A.
- 28 3. It clarifies that the Superintendent of Financial Institutions is the regulator in
29 relation to state-chartered banks and credit unions.
- 30 4. It makes technical changes to use terminology consistent with current law.

31 FISCAL NOTE REQUIRED

32 (See attached)