

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1993

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
FIRST REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

JULY 1993

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of enacted Resolve</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>ONTP</i>	<i>Ought Not to Pass report accepted</i>
<i>ENACTMENT FAILED</i>	<i>Bill failed to get majority vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference formed but unable to agree</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin.

If you have any suggestions or comments on these summaries, please let us know.

4693NRG

LD 379

**An Act to Require an Employer Majority on the Board of
Governors of the Workers' Compensation Residual
Market Mechanism**

PUBLIC 364
EMERGENCY

SPONSOR(S)
MITCHELL E
MCCORMICK

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-304
S-288 MCCORMICK

SUMMARY

Current law and Bureau of Insurance Rule Chapter 440 require that the plan of operation of the workers' compensation residual market mechanism include a board made up of an odd number of members, not to exceed 12 insurers and 3 representatives of employers. The bill provides for a board not to exceed 11 members. At least 7 members must represent the Maine business community. No more than 4 members may represent insurers who are participants in the residual market mechanism. The bill grants limited immunity from liability to business community members for any action or inaction of the board during a time period in which the business community members do not constitute a majority of the board members.

Committee Amendment "A" (H-304) rewrites the emergency preamble. It provides for a board of 9 members, 5 of whom are individuals who represent the business community and 4 of whom are individuals who represent insurers. The insurers are elected at the annual meeting of insurers. The business members are appointed by the Superintendent of Insurance. Individuals who serve on the board are immune from personal civil liability under the Maine Tort Claims Act.

Senate Amendment "B" to Committee Amendment "A" (S-288) deletes the language that refers to individuals as board members. It declares to be board members "9 members, 5 of whom represent the business community of the State and 4 of whom represent insurers..." It changes the immunity to immunity "from liability except for willful misconduct by the board members in the performance of the duties of a board member."

LD 389

**An Act to Amend the Laws Relating to Financial Institution
Service Corporations**

PUBLIC 99
EMERGENCY

SPONSOR(S)
MITCHELL E
CAREY

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-131
S-74 CAREY

SUMMARY

This bill authorizes the Superintendent of Banking to promulgate regulations allowing service corporations owned or controlled by state-chartered credit unions to engage in activities that are authorized under federal law for service corporations owned or controlled by federally chartered credit unions. Current law permits only service corporations owned or controlled by savings and loan associations or savings banks to engage in such activities.

Committee Amendment "A" (H-131) permits persons other than credit unions to invest in credit union service organizations, while requiring credit unions to retain controlling interests. Investment is limited to 10% of share capital and surplus, unless changed by the Superintendent of Banking. The amendment adds a fiscal note.

Senate Amendment "A" to Committee Amendment "A" (S-74) adds an emergency preamble and emergency clause to the bill.