

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
118TH LEGISLATURE

SECOND REGULAR SESSION  
AND  
SECOND SPECIAL SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1998

**MEMBERS:**

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*Sen. Robert E. Murray, Jr.*  
*Sen. I. Joel Abromson*

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**ONE HUNDRED EIGHTEENTH LEGISLATURE  
SECOND REGULAR AND SECOND SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees  
May 1998**

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

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:

- 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
- INDEF PP*.....Bill Indefinitely Postponed
- ONTP*..... Ought Not To Pass report accepted
- OTP ND*..... Committee report Ought To Pass In New Draft
- OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title
- 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

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

insurance program; the extent to which the mandated benefit is being offered under collectively bargained health plans and under self-insured plans; the extent to which the mandated benefit is consistent with the concept of managed care; and the cumulative impact of mandating the proposed benefit in combination with existing mandates on the costs and availability of coverage.

**LD 2197**

**An Act to Implement Recommendations of the Joint Standing Committee on Banking and Insurance Relating to the Review of the Bureau of Insurance, the Bureau of Banking and the Securities Division within the Department of Professional and Financial Regulation under the State Government Evaluation Act**

**PUBLIC 660**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-884 H-894 CAMERON

LD 2197 proposed to implement the recommendations of the Joint Standing Committee on Banking and Insurance's review of the Bureau of Insurance, Bureau of Banking and Securities Division pursuant to the committee's review under the Government Evaluation Act.

Part A proposed to implement the recommendations relating to the Bureau of Banking and by doing the following.

1. Authorize the Bureau of Banking to bar an officer or director removed from a financial institution or holding company from working for special purpose financial institutions, i.e. merchant banks, nondepository trust companies and uninsured banks.
2. Make technical corrections and changes to the statutory provisions authorizing the establishment of a merchant bank.

Part B proposed to implement the recommendations relating to the Bureau of Insurance and by doing the following.

1. Transfer legal responsibility for the collection of insurance premium taxes on surplus lines insurers from the Bureau of Insurance to the Department of Administration and Financial Services, Bureau of Revenue Services, formerly the Bureau of Taxation.
2. Clarify the requirement that Maine domestic insurance companies pay an assessment to the Bureau of Insurance to reimburse the bureau for the costs associated with financial examination.

Part C proposed to implement the recommendations relating to the Department of Professional and Financial Regulation, Bureau of Banking, Securities Division and by doing the following.

1. Update the criminal penalty provisions of the Revised Maine Securities Act and bring them in line with the current class system for criminal conduct under the Maine Criminal Code.
2. Provide authority to the Securities Division to bring an action involving multiple violations in any county in which any violation occurs.

**Committee Amendment “A” (H-884)** proposed to clarify the manner in which surplus lines insurers pay premium taxes.

The amendment also proposed to clarify that the name of a Maine financial institution may appear on a credit card issued on its behalf by another financial institution if the name and state of the issuing financial institution also appear on the card. It also proposed to remove the requirement that the name of the financial institution appear in at least 10 point type.

The amendment also added a fiscal note to the bill.

**House Amendment “A” to Committee Amendment “A” (H-894)** was presented on behalf of the Committee on Bills in the Second Reading to prevent a conflict by incorporating changes made to the Maine Revised Statutes, Title 24-A, section 2016, subsection 1 in Public Law 1997, chapter 592.

***Enacted law summary***

Public Law 1997, chapter 660 makes changes to the laws relating to the Bureau of Banking, the Securities Division of the Bureau of Banking and the Bureau of Insurance. The law implements the recommendations of the Joint Standing Committee on Banking and Insurance pursuant to the committee’s review of these agencies under the Government Evaluation Act.

The changes that relate to the Bureau of Banking include authorizing the Bureau of Banking to bar an officer or director removed from a financial institution or holding company from working for special purpose financial institutions, i.e., merchant banks, nondepository trust companies and uninsured banks, and clarifying that the name of a Maine financed institution may appear on a credit card issued on its behalf by another financial institution if the name and state of the issuing financial institution also appear on the card.

In relation to the Securities Division, the law updates the criminal penalties of the Revised Maine Securities Act and brings them in line with the current class system for criminal conduct under the Maine Criminal Code. And it gives authority to the Securities Division to bring a court action involving multiple violations in any county in which any violation occurs.

The law’s changes relating to the Bureau of Insurance include transferring legal responsibility for the collection of insurance premium taxes on surplus lines insurers from the Bureau of Insurance to the Department of Administration and Financial Services, Bureau of Revenue Services and clarifying the requirement that Maine domestic insurance companies pay an assessment to the Bureau of Insurance to reimburse the bureau for the costs associated with financial examination of the companies.

**LD 2210**                      **Resolve, Regarding Legislative Review of Chapter 890: Consumer Complaint Ratios, a Major Substantive Rule of the Department of Professional and Financial Regulation**                      **RESOLVE 96 EMERGENCY**

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

LD 2210 proposed to provide for legislative review of Chapter 890: Consumer Complaint Ratios, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.