

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

*Second Regular Session and
Second Special Session*

Bill Summaries

*Joint Standing Committee
on
Insurance and Financial Services*

May 2004

Members:

Sen. Lloyd P. LaFountain III, Chair

Sen. Neria R. Douglass

Sen. Arthur F. Mayo III

Rep. Christopher P. O'Neil, Chair

Rep. Marilyn E. Canavan

Rep. Joseph C. Perry

Rep. Bonita J. Breault

Rep. Anne C. Perry

Rep. Kevin J. Glynn

Rep. Florence T. Young

Rep. Lois A. Snowe-Mello

Rep. Michael A. Vaughan

Rep. Richard G. Woodbury

Staff:

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Maine State Legislature



*Office Of Policy And Legal Analysis
Office Of Fiscal And Program Review*

*121st Maine Legislature
Second Regular Session and
Second Special Session*

Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint select committees of the Maine Legislature this past session. 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 considered by the committees. It is arranged alphabetically by committee name 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/billsumm.htm).

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*
- NOT PROPERLY BEFORE THE BODY Ruled out of order by the presiding officers; bill died*
- INDEF PP Bill Indefinitely Postponed*
- ONTP..... Ought Not To Pass report accepted*
- OTP-ND Committee report Ought To Pass In New Draft*
- P&S XXX..... Chapter # of enacted Private & Special Law*
- PASSED..... Joint Order passed in both bodies*
- 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 that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

David C. Elliott, Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Insurance and Financial Services

LD 1717

An Act To Clarify Membership on Boards of Directors for Maine Financial Institutions

**PUBLIC 528
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO PINGREE	OTP-AM	S-376

LD 1717 proposed to make requirements for membership on boards of directors of Maine financial institutions consistent with membership requirements in the Maine Business Corporation Act.

Committee Amendment "A" (S-376) replaced the substantive provisions of the bill but retained the emergency preamble and emergency clause. The amendment proposed to remove the requirement that a member of the board of directors of a financial institution be a resident of the financial institution's geographic area, making the law consistent with requirements for other business entities under the Maine Business Corporation Act. The amendment also proposed to clarify that boards of financial institutions must be managed and operated as permitted under chapter 8 of the Maine Business Corporation Act and make other technical changes.

Enacted Law Summary

Public Law 2003, chapter 528 makes requirements for membership on boards of directors of Maine financial institutions consistent with membership requirements in the Maine Business Corporation Act. The law removes the requirement that a member of the board of directors of a financial institution be a resident of the financial institution's geographic area. The law also clarifies that boards of financial institutions must be managed and operated as permitted under chapter 8 of the Maine Business Corporation Act.

Public Law 2003, chapter 528 was enacted as an emergency measure effective March 3, 2004.

LD 1793

An Act To Amend the Law Relating to Insurance Contracts

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL MAYO	ONTP MAJ OTP-AM MIN	

LD 1793 proposed to include terrorism as a noncovered peril under the State's standard fire insurance policy laws.

Committee Amendment "A" (H-694) is the minority report of the committee. The amendment proposed to clarify that the exclusion for terrorism applies only to commercial fire insurance policies. It would also limit the exclusion to acts of international terrorism as defined under federal law. Committee Amendment "A" was not adopted.