

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1957 - 1958

It is our opinion that both according to your custom and according to a reading of the above quoted section of law, there is a distinction between a branch and an agency. While you may be justified in refusing to recognize a second application to establish a branch within the period of a year from the date of refusal, we believe that with respect to an agency the application should be recognized and acted upon.

JAMES GLYNN FROST

Deputy Attorney General

July 29, 1957

To Albert S. Noyes, Bank Commissioner

Re: Medical Insurance for Savings Bank Trustees

. . . You inquire if the trustees of a savings bank may, under the provisions of Section 19-E-II-G of Chapter 59, R. S. 1954, receive Blue Cross and Blue Shield coverage as compensation.

The said section reads as follows:

“The trustees may receive such compensation for services performed by them in their capacity as may be fixed by the corporation at any legal meeting thereof, or as may be fixed by the board of trustees and approved by the bank commissioner in writing.”

Section 19-K-VIII of Chapter 59 provides:

“The trustees may also make such provision for the payment of medical, surgical and hospital expenses of officers and employees, due to accident or illness, as in their judgment is reasonably required.”

We also draw your attention to Section 19-E-III-A:

“The board of trustees shall annually elect, from their membership or otherwise, a president, one or more vice presidents, clerk, treasurer, one or more assistant treasurers, and such other officers as they may deem advisable, may determine their respective duties and functions when not fixed by law or by the by-laws of the bank, and may fix their compensation.”

A study of the above quoted sections of law convinces us that Blue Cross and Blue Shield coverage is not compensation, and for that reason we advise that you should not approve any act of the trustees in including such coverage as compensation.

You will note in the last above quoted section that compensation of the officers is to be determined by the board of trustees, but that in order to give such officers the insurance coverage in question the legislature found it necessary to enact the above quoted Section 19-K-VIII. It is apparent, therefore, that insurance coverage and compensation are not one and the same thing. This being so, it follows, in our opinion, that in fixing the compensation of the trustees, such compensation cannot include Blue Cross and Blue Shield without special statutory authority.

JAMES GLYNN FROST

Deputy Attorney General