

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

Reported by: Senator LaFountain

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 49, L.D. 159, Bill, "An Act to Clarify the Parity Provision in Maine Banking Law"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'Sec. 1. 9-B MRSA §416, as enacted by PL 1975, c. 500, §1, is amended to read:

§416. Powers of federally chartered institutions

~~To the extent authorized by the superintendent pursuant to regulations~~ Notwithstanding any other provisions of law, a financial institution shall have the power to engage in any activity which that financial institutions chartered by or otherwise subject to the jurisdiction of the Federal Government may hereafter be authorized to engage in by federal legislation or regulations issued pursuant to such legislation. In the event any law of this State is preempted or declared invalid pursuant to applicable federal law, by a court of competent jurisdiction or by the responsible federal chartering authority with respect to any power that may be exercised by a financial institution chartered by or otherwise subject to the jurisdiction of the Federal Government, that law is invalid with respect to financial institutions authorized to do business in this State. The superintendent may adopt rules to ensure that such powers are exercised in a safe and sound manner with adequate consumer protections. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. 2. 9-B MRSA §828, as enacted by PL 1975, c. 500, §1, is amended to read:

§828. Powers of federally chartered credit unions

~~To the extent authorized by the superintendent pursuant to regulations~~ Notwithstanding any other provisions of law, a credit union shall have has the power to engage in any activity which that a credit union chartered by or otherwise subject to the jurisdiction of the Federal Government may hereafter be authorized to engage in by Federal federal legislation or regulations issued pursuant to such legislation. In the event any law of this State is preempted or declared invalid pursuant to applicable federal law, by a court of competent jurisdiction or by the responsible federal chartering authority with respect to any power that may be exercised by a credit union chartered by or otherwise subject to the jurisdiction of the Federal Government, that law is invalid with respect to credit unions authorized to do business in this State. The superintendent may adopt rules to ensure that such powers are exercised in a safe and sound manner with adequate consumer protections. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. 3. 24-A MRSA §212-A is enacted to read:

§212-A. Parity for insurance agents and brokers

Notwithstanding any other provision of law, to the extent authorized by the superintendent by rule, a licensed agent or broker has the power to engage in any insurance activity that financial institutions chartered by or otherwise subject to the jurisdiction of the Federal Government are authorized to engage in pursuant to federal law or regulation or by a court of competent jurisdiction. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.'

Further amend the bill by inserting at the end before the summary the following:

·FISCAL NOTE

The Bureau of Banking, within the Department of Professional and Financial Regulation, will incur some minor additional costs to adopt certain rules pertaining to allowing state-chartered financial institutions to sell insurance. These costs can be absorbed within the bureau's existing budgeted resources.'

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SUMMARY

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6 This amendment clarifies that preemption of state law may
8 occur through Acts of Congress as well as through actions of
10 federal regulatory authorities and that the superintendent may
12 adopt rules to ensure that any powers exercised by a financial
14 institution in this State under the parity provision are done in
16 a safe and sound manner. The amendment also allows insurance
agents and brokers to engage in any insurance activity
permissible for federally chartered financial institutions to the
extent authorized by the Superintendent of Insurance through
rulemaking.

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The amendment also adds a fiscal note to the bill.

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