

MAINE STATE LEGISLATURE

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LAWS

OF THE

STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWELFTH LEGISLATURE

SECOND REGULAR SESSION
January 8, 1986 to April 16, 1986

SECOND SPECIAL SESSION
May 28, 1986 to May 30, 1986

AND AT THE

THIRD SPECIAL SESSION
October 17, 1986

PUBLISHED BY THE DIRECTOR OF REVISOR OF STATUTES IN
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Co., Inc.
Augusta, Maine

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION
of the
ONE HUNDRED AND TWELFTH LEGISLATURE
1985

CHAPTER 731

S.P. 836 - L.D. 2125

AN ACT to Clarify and Effectuate Legislative Intent Regarding the Separation of Insurance and Banking.

Be it enacted by the People of the State of Maine as follows:

24-A MRSA §1514-A, as enacted by PL 1971, c. 407, is repealed and the following enacted in its place:

§1514-A. Prohibition as to financial institutions and related parties

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Financial institution" means a trust company, commercial bank, savings bank, industrial bank, savings and loan association or credit union, either state-chartered or federally chartered.

B. "Financial institution holding company" has the meaning set forth in Title 9-B, section 1011.

C. "Ownership interest" includes general partnership shares, limited partnership shares and shares of stock which possess any voting rights.

D. "Retail area" means all space occupied by a financial institution where the "business of banking," as defined in Title 9-B, section 131, subsection 5, may occur.

E. "Subsidiary" means any corporation, partnership, association or other business entity in which either:

(1) One or more financial institutions, financial institution holding companies or any officers, employees, agents or representatives of the financial institutions or financial institution holding companies possess directly or indirectly, singly or in the aggregate, an ownership interest of at least 25%; or

(2) It is determined by the superintendent after notice and opportunity for hearing that one or more financial institutions, financial institution holding companies or any officers, employees, agents or representatives of financial institutions or financial institution holding companies, singly or in the aggregate, exercise a controlling influence over the management and policies of the entity.

2. Prohibition on licensing. No financial institution, financial institution holding company or the subsidiary of either or any officer, employee, agent or representative of a financial institution, financial institution holding company or the subsidiary of either may be licensed as an insurance agent, broker or consultant in this State or may act as an insurance agent, broker or consultant in this State. Nothing in this section limits the activity of these organizations with respect to credit life and credit health insurance to the extent authorized by chapter 37, group health insurance to the extent authorized by chapter 35 and group life insurance to the extent authorized by chapter 31.

3. Limitations on leasing activities. Any arrangement involving a financial institution or financial institution holding company and an insurer or insurance agent, broker or consultant pursuant to which an insurer, insurance agent, broker or consultant utilizes space in the retail area of a financial institution in order to engage in the transaction of insurance is subject to the following conditions.

A. The financial institution, financial institution holding company or subsidiary of either may not own, in whole or in part, the insurer, insurance agent, broker or consultant.

B. No officer, employee, agent or representative of the financial institution, financial institution holding company or a subsidiary of either may act as an officer, employee, agent or representative of the insurer, insurance agent, broker or consultant.

C. The payments to be made to the financial institution or financial institution holding company pursuant to a space-sharing agreement may not be based, directly or indirectly, upon a percentage of the volume of business conducted by the insurer, insurance agent, broker or consultant.

D. The financial institution or financial institution holding company may not engage in any joint advertising or solicitation with the insurer, insurance agent, broker or consultant.

E. The space occupied by the insurer, insurance agent, broker or consultant shall be sufficiently separate and distinct from areas occupied by officers or employees of the financial institution and the respective parties shall act in a manner so that:

(1) A consumer would not have reason to believe that there is any affiliation between the financial institution and the insurer, insurance agent, broker or consultant; and

(2) The right of the consumer to consider insurance transactions in a confidential and noncoercive environment is assured.

4. Rule-making authority. The superintendent may promulgate rules to implement and support this section, including reasonable rules to implement the general conditions set forth in subsection 3, concerning space-sharing arrangements. The rules may limit or prohibit activities which evade or circumvent the provisions of this section.

Effective July 16, 1986.

CHAPTER 732

H.P. 1614 - L.D. 2269

AN ACT Relating to Boards and Commissions.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRS.A §12002-D is enacted to read:

§12002-D. Expenses of boards excluded by definition

Sections 12002-A, 12002-B and 12002-C governing the payment of compensation and reimbursement of expenses to boards subject to this chapter do not apply to boards that are excluded from this chapter, as defined in section 12002, subsection 1, paragraphs A to F. Reimbursement of expenses of boards excluded by