

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
BANKING AND INSURANCE
BILL SUMMARY



JUNE 1987

PREPARED BY:

Jeri Gautschi, Legislative Analyst

OFFICE OF POLICY AND LEGAL ANALYSIS
STATE HOUSE, STATION 13 AUGUSTA, MAINE 04333
(207) 289-1670

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WILLIAM T. GLIDDEN, JR.



STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS

ROOM 101/107
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

JULIE S. JONES
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JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Committee Amendment A (S-21) establishes an upward ceiling of \$5,000 on the fee the superintendent may charge to process an application for a bank charter. The amendment clarifies the intent of the bill regarding the holding of qualifying shares. It provides that the shares necessary to meet the \$2,500 market value requirement when an individual initially becomes a bank director must be held as long as that person remains a director regardless of changes in the market value of the bank's stock. The amendment also provides for the reduction of qualifying shares for persons currently serving as bank directors based on the market value of their bank's stock on December 31, 1987.

Senate Amendment A (S-25) corrects an error in grammar.

LD 404 AN ACT TO CONTINUE INSURANCE COVERAGE FOR MENTAL HEALTH, ALCOHOL AND SUBSTANCE ABUSE TREATMENT SERVICES FOR MAINE CITIZENS ND LD 1674

Sponsor: CLARK, N., Kimball, Rolde, Perkins
Committee Report: OTP-ND LD 1674

SUMMARY: See New Draft, LD 1674.

LD 462 AN ACT TO AMEND PROVISIONS OF THE MAINE INSURANCE CODE DEALING WITH CAPITAL AND SURPLUS REQUIREMENTS OF INSURERS PL 1987 c. 78

Sponsor: BAILEY, Armstrong
Committee Report: OTP-AM
Amendments Adopted:
H-53 COMMITTEE

SUMMARY: This bill exempts from surplus requirements certain domestic mutual insurance companies. These companies must have had a certificate of authority prior to January 1, 1989 and must maintain 100% reinsurance. Their operation must be approved by the Superintendent. The surplus amount required for multiple lines is currently \$200,000 but will jump to \$1,250,000 on January 1, 1989. This requirement, which was passed in 1983, would have adversely affected two insurance companies which have been operating in the State for many years. Since they both reinsure 100%, there is no need for a \$1,250,000 surplus requirement.

Committee Amendment A (H-53) adds the requirements that any assuming reinsurer must be an insurance company possessed of a certificate of authority to transact the same kinds of insurance in this State as those assumed and must file an annual financial statement with the Superintendent.