

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

**STATE OF MAINE
119TH LEGISLATURE**

SECOND REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

JULY 2000

MEMBERS:

*Sen. Lloyd P. LaFountain III, Chair
Sen. Neria R. Douglass
Sen. I. Joel Abromson*

*Rep. Jane W. Saxl, Chair
Rep. Christopher P. O'Neil
Rep. Joseph C. Perry
Rep. Benjamin F. Dudley
Rep. John G. Richardson, Jr.
Rep. Nancy B. Sullivan
Rep. Arthur F. Mayo III
Rep. Sumner A. Jones, Jr.
Rep. Kevin J. Glynn
Rep. Robert W. Nutting*

Staff:

Colleen McCarthy Reid, Legislative Analyst

*Office of Policy and Legal Analysis
13 State House Station
Augusta, ME 04333
(207)287-1670*



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
 Telephone: (207) 287-1670
 Fax: (207) 287-1275

ONE HUNDRED NINETEENTH LEGISLATURE
SECOND REGULAR SESSION

Summary Of Legislation Before The Joint Standing Committees
July 2000

We are pleased to provide this summary of bills that were considered by the Joint Standing and 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 and select committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees 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).

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
- OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title
- P&S XXX*..... Chapter # of enacted Private & Special Law
- 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 the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is August 11, 2000.

David E. Boulter, Director
 Offices Located in the State House, Rooms 101 & 107

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAFOUNTAIN SAXL J	OTP-AM	S-589

LD 2574 proposed to amend the Charitable Solicitations Act to exempt federally-chartered and state-chartered financial institutions and credit unions that are subject to supervision and examination by their respective chartering authorities.

LD 2574 also proposed to permit mutual property and casualty insurance companies in Maine to adopt a mutual holding company structure. The bill was introduced because of a provision of the federal Financial Services Modernization Act of 1999. Unless a state's laws authorize mutual insurers to transfer their domicile to another state and reorganize as a stock insurance company owned by a mutual holding company, the federal law preempts state insurance laws for this type of reorganization. Maine law does not currently authorize that kind of reorganization. By establishing law to allow mutual property and casualty insurers to reorganize, LD 2574 proposed to end the federal preemption and provide flexibility to mutual property and casualty insurers organized in Maine.

Committee Amendment "A" (S-589) proposed to clarify that a health insurance company organized as a mutual insurer may reorganize through the formation of a mutual holding company. The amendment also proposed to remove the provision in the bill that would have allowed challenges to a decision of the Superintendent of Insurance to approve the reorganization of a mutual insurer through the formation of a mutual holding company to be brought up to 180 days after the superintendent's approval of the plan.

The amendment also proposed to add an emergency preamble, emergency clause and fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 656 exempts federally-chartered and state-chartered financial institutions and credit unions that are subject to supervision and examination by their respective chartering authorities from the Charitable Solicitations Act.

Public Law 1999, chapter 656 also permits mutual property and casualty or health insurance companies to reorganize through the formation of a mutual holding company in response to the federal Financial Services Modernization Act of 1999. Unless a state's laws authorize mutual insurers to transfer their domicile to another state and reorganize as a stock insurance company owned by a mutual holding company, the federal law will preempt state insurance laws for this type of reorganization. Since Maine law did not previously authorize mutual insurers domiciled in the State to adopt the mutual holding company structure, Public Law 1999, chapter 656 ends the federal preemption.

Public Law 1999, chapter 656 was enacted as an emergency effective April 10, 2000.