

I Mina'trentai Siette Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
370-37 (COR)	Sabina Flores Perez	AN ACT TO AMEND §§ 103103 (b) AND 103103 (f), CHAPTER 103, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO EMPOWERING THE BANKING AND INSURANCE BOARD TO BETTER SERVE THE COMMUNITY NEEDS THROUGH REFORMING THE BANKING AND INSURANCE BOARD'S COMPOSITION, AND REQUIRING MONTHLY BOARD MEETINGS.	10/25/24 1:56 p.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN 2024
(SECOND) Regular Session

Bill No. 370-37 (COR)

Introduced by:

Sabina Flores Perez *SFP*

**AN ACT TO *AMEND* §§ 103103 (b) AND 103103 (f),
CHAPTER 103, TITLE 11, GUAM CODE ANNOTATED,
RELATIVE TO EMPOWERING THE BANKING AND
INSURANCE BOARD TO BETTER SERVE THE
COMMUNITY NEEDS THROUGH REFORMING THE
BANKING AND INSURANCE BOARD'S
COMPOSITION, AND REQUIRING MONTHLY BOARD
MEETINGS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the current composition of the Banking and Insurance Board—with three
4 representatives from the banking industry and three from the insurance industry—
5 creates more potential conflicts of interest than beneficial industry insight, as it
6 results in a two-thirds majority of industry representatives.

7 The Board's regulatory responsibilities should be centered on key areas,
8 including but not limited to:

- 9 1. The Community Reinvestment Act (CRA),
- 10 2. Insurance agent conduct,
- 11 3. Adequate and proper disclosure for both banking and insurance contracts,
- 12 4. Licensing and admission/departure of banks and insurance agencies,
- 13 5. Chartering of banks, credit unions, and domestic insurers,
- 14 6. Approval of insurance rates, and
- 15 7. Timely processing of insurance claims.

1 It is the intent of *I Liheslaturan Guåhan* to empower the Banking and
2 Insurance Board to better serve the needs of Guam's residents and businesses by
3 reforming the Board's composition and requiring monthly meetings to ensure
4 timely and effective regulatory oversight.

5 **Section 2.** §§ 103103 (b) and 103103 (f), Chapter 103, Title 11, Guam
6 Code Annotated, is hereby *amended* to read:

7 **§ 103103. Banking and Insurance Board.**

8 (a) There is hereby established in the Office of the Commissioner
9 of Banking and Insurance, a Banking and Insurance Board that shall
10 supersede the Banking Board, which shall consist of the Commissioner and
11 nine (9) members. The Commissioner shall be Chairman.

12 (b) The nine (9) members shall be appointed by *I Maga'lahi* (the
13 Governor) with the advice and consent of *I Liheslatura* (the Legislature), in
14 conformance with the requirements of 4 GCA § 2105:

15 (1) There shall be ~~three~~ one (~~3~~1) members who ~~are~~ is an
16 executive officers of ~~entities chartered as a banks and that is~~ licensed
17 to conduct business on Guam, ~~at least one (1) of which shall be a state~~
18 ~~bank as defined in §100102 of this Title;~~

19 (2) There shall be ~~three~~ one (~~3~~1) members who ~~are~~ is an
20 executive officers of an insurance businesses licensed to conduct
21 business on Guam;

22 (3) There shall be ~~three~~ seven (~~3~~7) members who are not
23 directors, trustees, officers, employees or stockholders of any entity
24 chartered as a bank, or any entity engaged in the insurance business,
25 one (1) of whom must be an attorney admitted to practice law on
26 Guam, and only one of whom shall be a classified employee of the
27 government of Guam.

1 (c) Six (6) members shall constitute a quorum. All decisions made
2 by the Board shall require six (6) affirmative votes.

3 (d) The term of office of each member shall be six (6) years except
4 the initial appointments to the Banking and Insurance Board shall be for the
5 following terms as designated by *I Maga'lahi*:

6 (1) five (5) members for a term of three (3) years; and

7 (2) four (4) members for a term of six (6) years. Thereafter,
8 the term of office of each member shall be six (6) years.

9 (e) *I Maga'lahi* [The Governor] may, after notice and hearing,
10 remove a member for cause. Failure to attend two (2) consecutive legally
11 called Board meetings shall serve as sufficient cause for removal.

12 (f) The Board shall meet at least once in each ~~calendar quarter~~
13 month. The Commissioner may call additional meetings of the Board and
14 shall do so upon the request of two (2) members. Public notice for all Board
15 meetings shall be given pursuant to the provisions of the Open Government
16 Law.

17 (g) No member shall participate in a proceeding before the Board
18 to which any corporation, partnership or unincorporated association of
19 which he or she is or was at any time in the preceding twelve (12) months a
20 director, officer, partner, employee, member, or stockholder is a party. A
21 member may disqualify himself or herself from participating in a proceeding
22 for any other cause deemed by him or her to be sufficient.

23 (h) At any meeting at which a quorum is not present, whether by
24 reason of the inability of a member to participate or his or her voluntary
25 disqualification, or otherwise, *I Maga'lahi* may designate the Director, or the
26 head of any other department of the government of Guam, in that order, as
27 acting members of the Board for the purpose of constituting a quorum, but

1 he or she shall not designate more acting members than shall be necessary to
2 constitute a quorum.

3 (i) The Division shall provide such clerical, technical and legal
4 assistance as the Board may require.

5 (j) If the employment status of any member of the Board should be
6 modified during the member's appointed term, such that the member would
7 no longer meet the qualifications contained in this § 103103, said individual
8 shall no longer serve on the Board.

9 (k) Any vacancy in Board membership shall be filled in
10 conformance with the appointment and confirmation provisions of this §
11 103103 to serve the remainder of the term so vacated.

12 **Section 3. Severability.** If any provision of this Act or its application to any
13 person or circumstance is found to be invalid or inorganic, such invalidity shall not
14 affect other provisions or applications of this Act which can be given effect without
15 the invalid provisions or application, and to this end the provisions of this Act are
16 severable.

17 **Section 4. Effective Date.** This Act shall be effective upon enactment.