

HB 144 -- Examination of Banks and Trust Companies

Sponsor: Austin

Currently, the Director of the Division of Finance within the Department of Insurance, Financial Institutions, and Professional Registration or a deputy or an examiner appointed by the director must visit and examine every bank and trust company in the state receiving a Camel 1 or Camel 2 rating from the division at least once each 18 calendar months. This bill adds banks or trust companies receiving a MOECA 1 or MOECA 2 rating from the division to those banks or trust companies that must be visited at least once each 18 calendar months. A private trust company must be visited and examined at least once every 36 months.

A private trust company is one that does not engage in trust company business with the general public or otherwise hold itself out as a trustee or fiduciary for hire by advertising, solicitation, or other means and instead operates for the primary benefit of a family, relative of same family, or single family lineage, regardless of whether compensation is received or anticipated.

The bill specifies that a provision in a trust instrument requiring the mediation or arbitration of disputes, other than for disputes relating to the validity of the trust instrument, enforceable.