

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 402**

H. P. 311

House of Representatives, February 10, 1977

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Ms. Clark of Freeport.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT to Clarify the Consumer Credit Code.**

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

**9-A MRSA § 4-107, sub-§ 1**, as enacted by PL 1973, c. 762, § 1, is amended by adding at the end 2 new sentences to read:

**A creditor shall not receive any compensation from an insurer in connection with the sale of consumer credit insurance. For the purpose of this section, compensation does not include amounts arising from valid claims.**

STATEMENT OF FACT

The purpose of this bill is to make it clear that consumers need only pay what the insurance company charges and that anti-competitive arrangements by which creditors receive insurance premium "kick-backs" and the like are prohibited.