

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1110

S.P. 373

In Senate, April 7, 1987

Reference to the Committee on Banking and Insurance suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator BRANNIGAN of Cumberland.

Cosponsored by Representative RYDELL of Brunswick,
Representative CURRAN of Westbrook.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 **AN ACT to Authorize Financial Institutions**
2 **and Credit Unions to Sell Annuities.**
3

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

6 **Sec. 1. 9-B MRSA §443, sub-§8 is enacted to**
7 **read:**

8 8. Annuities. An employee of a financial insti-
9 tution, credit union or holding company, or a subsidi-
10 ary of a financial institution, credit union or
11 holding company, authorized to do business in this
12 State may arrange for the sale of annuities, pur-
13 chased from a licensed insurance company, to custom-
14 ers of the financial institution or credit union who
15 have deposited funds in the financial institution or
16 credit union in a KEOGH, Individual Retirement Ac-

1 count or other retirement account. Any financial in-
2 stitution or credit union employee who sells annui-
3 ties shall be licensed in accordance with Title 24-A,
4 section 1531, subsection 1, paragraph F.

5 Sec. 2. 24-A MRS §1514-A, sub-§2, as enacted by
6 PL 1985, c. 731, is amended to read:

7 2. Prohibition on licensing. No financial insti-
8 tution, financial institution holding company or the
9 subsidiary of either or any officer, employee, agent
10 or representative of a financial institution, finan-
11 cial institution holding company or the subsidiary of
12 either may be licensed as an insurance agent, broker
13 or consultant in this State or may act as an insur-
14 ance agent, broker or consultant in this State.
15 Nothing in this section limits the activity of these
16 organizations with respect to credit life and credit
17 health insurance to the extent authorized by chapter
18 37, group health insurance to the extent authorized
19 by chapter 35 and group life insurance to the extent
20 authorized by chapter 31.

21 Nothing in this subsection prohibits an employee of
22 these organizations with respect to sales of annui-
23 ties to the extent authorized by Title 9-B, section
24 443, subsection 8, provided the employee has an
25 agent's license pursuant to section 1531, subsection
26 1, paragraph F.

27 Sec. 3. 24-A MRS §1531, sub-§1, as amended by
28 PL 1983, c. 298, §§1 and 2, is further amended to
29 read:

30 1. The superintendent may issue to an applicant
31 qualified therefor under this chapter a limited
32 agent's license as follows:

33 A. Covering motor vehicle insurance only; or

34 B. Travel accident and baggage insurance, as
35 provided in ~~subsection 3 of~~ section 1521, subsec-
36 tion 3; or

37 C. Covering only credit life and credit health
38 insurance;

- 1 D. Covering only title insurance; or
- 2 E. Allowing a director of a domestic mutual as-
- 3 sessment fire insurance company to sell property
- 4 insurance coverage written by that company; or
- 5 F. Covering only annuities.

6 STATEMENT OF FACT

7 Section 1 of the bill authorizes employees of fi-
8 nancial institutions and credit unions to sell annui-
9 ties to customers who have a retirement account.
10 Presently, long established customers of the banks or
11 credit unions must draw their funds out of their re-
12 tirement accounts at their bank or credit union if
13 they want annuities. Any bank or credit union em-
14 ployee selling annuities will have to be licensed un-
15 der the Maine Insurance Code.

16 Section 2 provides that when financial institu-
17 tions sell annuities to their customers they are sub-
18 ject to the licensing requirements of the Maine In-
19 surance Code.

20 Section 3 allows the superintendent to issue a
21 limited "annuity only" license.

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