

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 273, L.D. 393, Bill, "An Act to Prohibit Coerced and Connected Sales in Insurance"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act to Prohibit Tie-in Sales in Insurance'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'24-A MRSA §2168-A is enacted to read:

§2168-A. Tie-in sales of insurance

1. Definition. As used in this section, "tie-in sales" means the practice of tying the sale of one product to another.

2. Prohibited tie-in sales. In the purchase of insurance, tie-in sales are an unfair trade practice when:

A. The consumer is required to place additional coverage with an insurer not of the consumer's choice in order to obtain a desired coverage; and

B. The consumer's alternative opportunities to purchase the desired coverage are severely limited or nonexistent.

3. Penalties. An insurance contract sold in violation of the provisions of this section is voidable at the option of the consumer. Violations of this section are enforceable through section 12-A.'

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STATEMENT OF FACT

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This amendment makes the tying in of insurance sales an unfair trade practice when the consumer is required to purchase but does not wish to purchase additional coverage in order to obtain a desired coverage and the consumer's alternative opportunities are severely limited or nonexistent.

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Reported by the Committee on Banking and Insurance
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