

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 393

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H.P. 273

House of Representatives, February 6, 1991

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

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative RAND of Portland.

Cosponsored by Representative PINEAU of Jay, Senator THERIAULT of Aroostook and Representative HOGLUND of Portland.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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An Act to Prohibit Coerced and Connected Sales in Insurance.

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

24-A MRSA §2168-A is enacted to read:

§2168-A. Coerced and connected sales prohibited

1. Prohibited business. A person may not require that as a condition, agreement or understanding to sell or furnish to any other person any loan, credit, sale, goods, property, contract, lease or service such other person must purchase insurance of any kind through any given agent, broker or insurer; and an agent, broker or insurer may not participate in any such combination plan or transaction.

2. Prohibited solicitation of business. A person may not solicit, and an agent, broker or insurer may not participate in any plan of public solicitation of a combination of insurance and other matters prohibited by subsection 1. This subsection may not be construed to restrict any one person from being both an insurance agent or broker and engaging in another business at the same time or place, so long as the sales of insurance and other matters are not combined or coerced as prohibited by subsection 1, and the buyer or other person has the free choice of insurance.

3. Violation. An insurance contract sold in violation of the provisions of this section is voidable at the option of the buyer or borrower.

STATEMENT OF FACT

This bill prohibits sellers and lenders from requiring that a buyer or borrower purchase insurance through a particular broker or agent and prohibits brokers or agents from participating in a connected transaction. The bill does not prevent insurance agents or brokers from engaging in other types of business but does prohibit coerced combinations involving insurance.