

MAINE STATE LEGISLATURE

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

HOUSE AMENDMENT "A" to S.P. 514, L.D. 1375, Bill, "An Act to Authorize Financial Institutions and Credit Unions to Sell Annuities"

Amend the bill by inserting after the enacting clause the following:

'Sec. 1. 9-B MRSA §243, sub-§1, as amended by PL 1979, c. 663, §32, is further amended to read:

1. **Prohibition.** A financial institution authorized to do business in this State shall ~~may~~ not in any manner extend credit, lease or sell property, or sell annuities, or furnish any service, or fix or vary the consideration for any of the foregoing on the condition, agreement, requirement or understanding:

A. That the customer shall obtain some additional or other credit, property, or service from ~~such~~ the financial institution other than a loan, discount, deposit or trust service;

B. That the customer shall obtain some additional or other credit, property, or service from a subsidiary of ~~such~~ the financial institution, a financial institution holding company of ~~such~~ that financial institution, or from any other subsidiary of such financial institution holding ~~company~~ company;

C. That the customer provide some additional or other credit, property, or service to ~~such~~ the financial institution, other than those related to and usually provided in connection with a loan, discount, deposit, or trust service;

2 D. That the customer provide some additional or other
credit, property or service to a subsidiary of ~~such the~~
4 financial institution, a financial institution holding
company of ~~such that~~ financial institution, or from any
6 other subsidiary of ~~such that~~ financial institution holding
company; ~~ex~~

8 E. That the customer shall not obtain some additional or
other credit, property, or service from a competitor of ~~such~~
10 ~~the~~ financial institution, a subsidiary of a competitor
financial institution, a financial institution holding
12 company of a competitor financial institution, or any other
14 subsidiary of ~~such that~~ competitor financial institution
holding company, other than a condition or requirement that
16 such financial institution shall reasonably impose in a
credit transaction to assure the soundness of the credit; ~~or~~

18 F. That the customer obtain annuities from the financial
institution.'

20 Further amend the bill in section 1 in subsection 11 in the
22 3rd and 4th lines (page 1, lines 7 and 8 in L.D.) by striking out
the following: "authorized to do business in this State" and
24 inserting in its place the following: 'organized pursuant to
this Title or organized under provisions of prior laws of this
26 State and subject to the provisions of this Title'

28 Further amend the bill in section 1 in subsection 11 by
inserting at the end the following: 'Any financial institution
30 or credit union employee who sells annuities must clearly
disclose to the customer in writing that purchase of the annuity
32 is voluntary and is separate from credit approval.'

34 Further amend the bill in section 2 in subsection 2 in the
2nd paragraph in the first 2 lines (page 1, lines 30 and 31 in
36 L.D.) by striking out the following: "these organizations" and
inserting in its place the following: 'a financial institution,
38 credit union or holding company, or a subsidiary of a financial
institution, credit union or holding company organized pursuant
40 to this Title or organized under provisions of prior laws of this
State and subject to the provisions of this Title'

42 Further amend the bill by renumbering the sections to read
44 consecutively.

46 **STATEMENT OF FACT**

48 Only Maine chartered financial institutions and credit
50 unions may sell annuities under this amendment. The tie-in
prohibitions that apply to financial institutions are expanded to
52 cover the sale of annuities. Employees of financial institutions
or credit unions that sell annuities are required to disclose

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2 that the purchase of the annuity is voluntary and separate from
credit approval.

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Filed by Rep. Mitchell of Vassalboro
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