

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1993

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Legislative Document

No. 1051

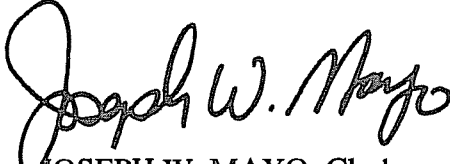
H.P. 778

House of Representatives, March 29, 1993

**An Act to Authorize Maine Financial Institutions and Credit Unions to  
Sell Annuities.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Vassalboro.  
Cosponsored by Representatives: ALIBERTI of Lewiston, BAILEY of Township 27,  
CARROLL of Gray, CLARK of Millinocket, DRISCOLL of Calais, ERWIN of Rumford,  
FAIRCLOTH of Bangor, GRAY of Sedgwick, GWADOSKY of Fairfield, HEINO of Boothbay,  
HOGLUND of Portland, KERR of Old Orchard Beach, KNEELAND of Easton, LARRIVEE of  
Gorham, LEMONT of Kittery, LIBBY of Buxton, MORRISON of Bangor, NICKERSON of  
Turner, OLIVER of Portland, PARADIS of Augusta, PINEAU of Jay, POULIOT of Lewiston,  
REED of Dexter, ROTONDI of Athens, RYDELL of Brunswick, SIMONEAU of Thomaston,  
SPEAR of Nobleboro, TARDY of Palmyra, TOWNSEND of Eastport, TRACY of Rome,  
YOUNG of Limestone, Senators: BEGLEY of Lincoln, BRANNIGAN of Cumberland, CAREY  
of Kennebec, CIANCHETTE of Somerset, ESTY of Cumberland, GOULD of Waldo,  
McCORMICK of Kennebec, SUMMERS of Cumberland.

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

2  
4       **Sec. 1. 9-B MRSA §443, sub-§11** is enacted to read:

6       11. Annuities. A financial institution, credit union or  
8       financial institution holding company, or a subsidiary or  
10       employee of any such entity, authorized to do business in this  
12       State may sell or arrange for the sale, through a licensed  
14       3rd-party, of annuities purchased from a licensed insurance  
16       company. A financial institution, credit union or financial  
18       institution holding company or an employee or subsidiary of any  
20       such entity must be licensed in accordance with Title 24-A,  
22       section 1531, subsection 1, paragraph F to sell annuities  
24       pursuant to this subsection.

26       **Sec. 2. 24-A MRSA §1514-A, sub-§2**, as enacted by PL 1985, c.  
28       731, is amended to read:

30       **2. Prohibition on licensing.** No A financial institution,  
32       financial institution holding company or the subsidiary of either  
34       or any officer, employee, agent or representative of a financial  
36       institution, financial institution holding company or the  
38       subsidiary of either may not be licensed as an insurance agent,  
40       broker or consultant in this State or may act as an insurance  
42       agent, broker or consultant in this State. Nothing in this  
44       section limits the activity of these organizations with respect  
46       to credit life and credit health insurance to the extent  
48       authorized by chapter 37, group health insurance to the extent  
50       authorized by chapter 35 and group life insurance to the extent  
      authorized by chapter 31.

Nothing in this subsection prohibits a financial institution,  
      credit union, financial institution holding company or a  
      subsidiary or employee of any such entity from selling annuities  
      to the extent authorized by Title 9-B, section 443, subsection  
      11, if that subsidiary or employee of any entity has been  
      licensed pursuant to section 1531, subsection 1, paragraph F.

**Sec. 3. 24-A MRSA §1517, sub-§6** is enacted to read:

6. A financial institution, credit union, financial  
      institution holding company or a subsidiary of any such entity  
      may be licensed as an insurance agent for the limited purpose of  
      selling annuities, as provided in section 1531, subsection 1,  
      paragraph F. Any such entity that is authorized to sell  
      annuities pursuant to Title 9-B, section 443, subsection 11 is  
      not required to comply with the requirements of subsection 2.

**Sec. 4. 24-A MRSA §1531, sub-§1**, as amended by PL 1983, c.  
      298, §§1 and 2, is further amended to read:

2 1. The superintendent may shall issue to an applicant  
4 qualified therefor under this chapter a limited agent's license  
as follows:

6 A. Covering motor vehicle insurance only; ~~or~~

8 B. Travel accident and baggage insurance, as provided in  
10 section 1521, subsection 3 ~~of section 1521~~; ~~or~~

12 C. Covering only credit life and credit health insurance; ~~;~~

14 D. Covering only title insurance; ~~or~~

16 E. Allowing a director of a domestic mutual assessment fire  
18 insurance company to sell property insurance coverage  
written by that company; ~~or~~

20 F. Covering only annuities.

22 An existing insurance agent already licensed to sell annuity  
24 products under the Maine Insurance Code, who contracts to  
26 sell annuity products pursuant to Title 9-B, section 443,  
28 subsection 11 does not need to apply for the limited  
30 annuities license under this section.

### 32 STATEMENT OF FACT

34 This bill authorizes financial institutions, credit unions,  
36 financial institution holding companies and employees and  
38 subsidiaries of those entities to either sell annuities directly  
or through contracts with 3rd parties who are licensed to sell  
them.

40 This bill provides that a financial institution, credit  
42 union, financial institution holding company or any employee  
44 wishing to sell annuities is subject to the licensing  
requirements of the Maine Insurance Code. The Superintendent of  
Insurance is authorized to issue a limited agents license  
covering only the sale of annuities to such entities and their  
employees. An agent already licensed to sell annuity products in  
the State does not need to apply under the limited annuities  
license section of this provision.

46 This bill provides that when a financial institution or its  
48 licensed employee sells annuities is subject to the licensing  
requirements of the Maine Insurance Code.