

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 117

S.P. 46

In Senate, January 11, 1999

An Act to Amend Maine's Insurance Laws Regarding Gifts and Rebates.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator LaFOUNTAIN of York.
Cosponsored by Representative SAXL of Bangor and
Representatives: MAYO of Bath, O'NEIL of Saco.

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

4 **Sec. 1. 24-A MRSA §2163-A**, as enacted by PL 1997, c. 457,
§41, is amended to read:

6 **§2163-A. Permitted activities**

8 Notwithstanding any other provision in sections 2160 to
10 2163, an insurer, employee of an insurer or producer may offer to
give gifts in connection with marketing for the sale or retention
12 of contracts of insurance provided the cost does not exceed \$20
per year per policy or quote, and conduct raffles or drawings, so
14 long as there is no participation costs to entrants, in which
case prizes may be valued in excess of \$20 but not more than
16 \$100. Nothing in sections 2160 to 2163 may be construed to
prohibit an insurance producer from receiving a fee rather than
18 commission on the sale of property and casualty insurance in
accordance with section 1450 and rules adopted by the
superintendent.

20 Gifts and prizes given pursuant to this section may not be
22 in the form of cash, check or other cash equivalent.

24 **SUMMARY**

26 This bill amends the insurance rebating law by capping the
28 prize that may be offered in a raffle at a value of \$100. The
bill also clarifies that prizes and gifts may not be in the form
30 of cash.