

MAINE STATE LEGISLATURE

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R. of S.

L.D. 1806

DATE: April 20, 1999

(Filing No. S- 111)

BANKING AND INSURANCE

Reported by:

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STATE OF MAINE SENATE 119TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 639, L.D. 1806, Bill, "An Act to Clarify the Definition and Licensure of Insurance Consultants, Financial Planners and Investment Advisors"

Amend the bill in section 2 in paragraph D by striking out all of subparagraph (6) and inserting in its place the following:

'(6) A person authorized to act as or on behalf of an investment advisor in accordance with Title 32, section 10303 and 10304, subsection 2-A to the extent such activities entail providing insurance advice incidental to financial planning advice.'

Further amend the bill by striking out all of section 3 and inserting in its place the following:

'Sec. 3. 24-A MRSA §1411, sub-§3, ¶B, as enacted by PL 1997, c. 457, §23 and affected by §55, is amended to read:

B. A licensed insurance producer offering advice concerning a kind of insurance for which the insurance producer is licensed to transact business and does not receive a separate fee for rendering such advice other than commissions or fees for the sale of an insurance or annuity policy, except that this paragraph does not apply to a licensed insurance producer who is also authorized to act as or on behalf of an investment advisor pursuant to section 1402, subsection 4, paragraph D, subparagraph (6);'

Further amend the bill by inserting at the end before the summary the following:

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FISCAL NOTE

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Eliminating duplicative regulation of financial planners and investment advisors will result in insignificant reductions of dedicated revenue to the Bureau of Insurance, within the Department of Professional and Financial Regulation, from a reduction in registration fees.'

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SUMMARY

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This amendment clarifies that investment advisors are not required to be licensed as insurance consultants to the extent that their activities entail providing insurance advice incidental to financial planning advice. The amendment also allows a licensed insurance producer authorized to act as or on behalf of an investment advisor to collect a fee for insurance advice and collect a commission for the sale of any insurance or annuity policy in connection with rendering that insurance advice.

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This amendment also adds a fiscal note to the bill.