

# MAINE STATE LEGISLATURE

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Date: 3/21/07

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
123RD LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 332, L.D. 416, Bill, "An Act To Protect Seniors and the Public from Unfair Health Insurance Sales Practices"

Amend the bill by inserting after the title the following:

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** the Department of Professional and Financial Regulation, Bureau of Insurance has received complaints from consumers about misleading sales practices used by certain insurance producers; and

**Whereas,** many of these complaints have been associated with the sale of Medicare Part D products and other Medicare products marketed to the elderly; and

**Whereas,** elderly consumers may be especially vulnerable to potentially misleading sales practices related to appointments made to discuss Medicare benefits; and

**Whereas,** this legislation prohibits unfair and misleading methods used to solicit the sale of life, health and annuity products, including Medicare products; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**Sec. 1. 24-A MRSA §2152-B is enacted to read:**

**§2152-B. Unfair solicitation methods**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

**COMMITTEE AMENDMENT**

R. 013

COMMITTEE AMENDMENT "A" to H.P. 332, L.D. 416

1 A. "Cold lead advertising" means making use directly or indirectly of a method of  
2 marketing that fails to disclose in a conspicuous manner that a purpose of the  
3 marketing is insurance sales solicitation and that contact will be made by an  
4 insurance producer or insurance company.

5 B. "Medicare products" includes Medicare Part A, Medicare Part B, Medicare Part  
6 C, Medicare Part D, Medicare Advantage and Medicare supplement plans.

7 **2. Unfair solicitation methods.** It is an unfair trade practice under this chapter for  
8 an insurer or producer to:

9 A. Sell, solicit or negotiate the purchase of health insurance in this State through the  
10 use of cold lead advertising;

11 B. Use an appointment that was made to discuss Medicare products or to solicit the  
12 sale of Medicare products in order to solicit sales of life insurance, health insurance  
13 or annuity products unless the consumer request such solicitation and the products to  
14 be discussed are clearly identified to the consumer in writing at least 48 hours in  
15 advance of the appointment; and

16 C. Solicit the sale of Medicare products door-to-door prior to receiving an invitation  
17 from a consumer.

18 **Emergency clause.** In view of the emergency cited in the preamble, this  
19 legislation takes effect June 1, 2007.'

20 **SUMMARY**

21 This amendment replaces the bill. The amendment retains the prohibition on cold  
22 lead advertising contained in the bill. It clarifies that insurers and producers may not use  
23 an appointment to discuss Medicare products to solicit sales of life insurance, health  
24 insurance or annuity products unless requested by a consumer and the products to be  
25 discussed are clearly identified to a consumer in writing at least 48 hours in advance of  
26 the appointment. The amendment also prohibits door-to-door solicitation of Medicare  
27 products prior to receiving an invitation from a consumer.

28 The amendment also adds an emergency preamble and emergency clause. The  
29 amendment adds an effective date of June 1, 2007.

30 **FISCAL NOTE REQUIRED**  
31 **(See attached)**

**COMMITTEE AMENDMENT**



# 123rd MAINE LEGISLATURE

LD 416

LR 522(02)

**An Act To Protect Seniors and the Public from Unfair Health Insurance Sales Practices**

**Fiscal Note for Bill as Amended by Committee Amendment 'A'**

**Committee: Insurance and Financial Services**

**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - General Fund

### Fiscal Detail and Notes

The Department of the Attorney General will incur additional costs to conduct enforcement activities for newly defined unfair trade practices related to marketing of health insurance products. These costs can be absorbed within the department's existing budgeted resources.