

1 S.145

2 Introduced by Senator Campion

3 Referred to Committee on

4 Date:

5 Subject: Insurance; unfair trade practices; remedies; Consumer Protection Act

6 Statement of purpose of bill as introduced: This bill proposes to specify that

7 unfair methods of competition or unfair or deceptive acts or practices in the

8 business of insurance constitutes a violation of Vermont's Consumer

9 Protection Act.

10 An act relating to remedies for unfair insurance trade practices

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 8 V.S.A. § 4726 is amended to read:

13 § 4726. POWER OF COMMISSIONER; ENFORCEMENT; REMEDIES

14 (a) The Commissioner shall have the power to examine and investigate any

15 person engaged in the business of insurance in this State in order to determine

16 whether that person has been or is engaged in any unfair method of

17 competition or in any unfair or deceptive act or practice.

18 (b) Any person violating any of the provisions of this chapter may be

19 subject to an administrative penalty of not more than \$1,000.00 for each

20 violation. The Commissioner may impose an administrative penalty of not

1 more than \$10,000.00 each for those violations the Commissioner finds were
2 ~~wilful~~ willful. The Commissioner may suspend or revoke the license of any
3 insurer or organization for any violation of this chapter or the failure to comply
4 with an order of the Commissioner issued under this chapter.

5 (c) The powers vested in the Commissioner by this chapter shall be in
6 addition to any other powers to enforce any penalties, fines, or forfeitures
7 authorized by law with respect to the methods, acts, and practices hereby
8 declared to be unfair or deceptive.

9 (d) A violation of this chapter shall constitute an unfair or deceptive act or
10 practice in commerce under 9 V.S.A. chapter 63, Vermont's Consumer
11 Protection Act.

12 Sec. 2. 9 V.S.A. § 2451a is amended to read:

13 § 2451a. DEFINITIONS

14 As used in this chapter:

15 (a) "Consumer" means any person who purchases, leases, contracts for,
16 or otherwise agrees to pay consideration for goods or services not for resale in
17 the ordinary course of his or her trade or business but for his or her use or
18 benefit or the use or benefit of a member of his or her household, or in
19 connection with the operation of his or her household or a farm whether or not
20 the farm is conducted as a trade or business, or a person who purchases, leases,
21 contracts for, or otherwise agrees to pay consideration for goods or services not

1 for resale in the ordinary course of his or her trade or business but for the use
2 or benefit of his or her business or in connection with the operation of his or
3 her business.

4 (b) "Goods" or "services" shall include any objects, wares, goods,
5 commodities, work, labor, intangibles, courses of instruction or training,
6 securities, bonds, debentures, stocks, real estate, or other property or services
7 of any kind. The term also includes bottled liquified petroleum (LP or
8 propane) gas as well as insurance policies and insurance contracts as defined
9 under 8 V.S.A. § 4722(3).

10 (c) "Seller" means a person regularly and principally engaged in a
11 business of selling goods or services to consumers.

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13 Sec. 3. EFFECTIVE DATE

14 This act shall take effect on passage.