

Comparison of S.56, H.142, and Commerce Strike-all Amendment to S.56
Legislative Council – April 11, 2017

S.56 as Passed the Senate <i>An act relating to life insurance policies and the Vermont Uniform Securities Act</i>	H.142 (as reviewed by Commerce) <i>An act relating to life insurance policies and the Vermont Uniform Securities Act</i>	Commerce Strike-all Amend to S.56 <i>Draft 1.4</i>
Sec. 1 recodifies a provision of law inadvertently repealed when the “standard nonforfeiture law for life insurance” chapter was rewritten in 2015. It requires life insurers to reach out to “secondary addressees” before cancelling a senior’s life insurance policy for nonpayment of premium.	Same	Keep
Sec. 2 allows for enhanced penalties for violations of securities and insurance rules involving vulnerable adults.	Same	Keep
Secs. 3-5 remove the monetary cap for multiple violations of securities law and provide enhanced penalties for securities act violations involving vulnerable adults.	Same	Keep
Sec. 6 updates cross references to federal securities law.	Same	Keep
Sec. 7 repeals VT’s exemption from the federal Philanthropy Protection Act of 1995.	Same	Keep
Sec. 8 makes the act effective on passage.	Same	Incorporates H.195, H.202, H.374, H.461, and H.83 as follows:
		Secs. 8-16 reflect H.195. <i>H.195 is a re-run of H.862 (2016), which was an omnibus insurance bill incorporating H.547, H.618, H.619, H.727 of that biennium, and liability protection for medical examiners. H.862 passed</i>

		<p><i>the House and was referred to Finance. Finance discussed two amendments but never voted the bill out of Committee. The Finance amendments are included in this draft.</i></p> <ul style="list-style-type: none"> • Sec. 8 is H.547, which amends the bylaw requirements for cooperative insurance corporations. • Secs. 9-15 reflect H.618, which concerns group life insurance and authorizes “employee pay all” policies. Sec. 13 applies these sections to only new policies. (Finance proposal.) Sec. 14 requires a consumer disclosure related to group policies. (Finance made it applicable to all group policies, not just employee pay all policies.) Sec. 15 removes the monetary limits an insurer may impose if a group life insurance policy is terminated. • Sec. 16 reflects a proposal from the Department of Health concerning medical examiners. The proposal gives them the same liability protection as State employees. • H.619 is not included because it was enacted this year – S.2 (DFR information sharing). • H.727 is not included because it concerned a DFR study of credit-based insurance scoring similar to another provision enacted in 2016.
		<p>Sec. 17 reflects H.202 concerning portable electronics insurance and a customer’s consent to</p>

		receive notices and correspondence by electronic means. <i>Changed “within a reasonable time” to “within 30 calendar days,” per request of DFR and Asurian through Feehan.</i>
		Sec. 18 reflects H.374, which requires DFR to study workers’ comp premium rates for high-risk occupations and industries. <i>(Similar provision likely in S.34.)</i> Report due January 15, 2018
		Secs. 19-22 reflect H.461, which requires workers’ comp insurers to offer employers the option of annual, semi-annual, or quarterly insurance policies; and also requires DFR to conduct various studies related to short-term workers’ comp policies, a regional assigned risk pool, and DFR administration of the assigned risk pool. All DFR reports due January 15, 2018.
		Secs. 23-24 reflect H.83, which concerns unemployment compensation referee final decisions, <i>proposed amendments highlighted.</i>
		Sec. 25 makes the act effective on July 1, 2017, and specifies that Sec. 17 (portable electronics insurance) applies to policies issued or renewed on or after the effective date.