

Comparison of S.56, H.142, and Commerce Strike-all Amendment to S.56
Legislative Council – March 30, 2017

S.56 as Passed the Senate	H.142 (as reviewed by Commerce)	Commerce Strike-all Amend to S.56
<i>An act relating to life insurance policies and the Vermont Uniform Securities Act</i>	<i>An act relating to life insurance policies and the Vermont Uniform Securities Act</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Sec. 1 recodifies a provision of law inadvertently repealed when the “standard nonforfeiture law for life insurance” chapter was rewritten in 2015.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>
		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.
		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.