

**Comparison of S.56, H.142, and the Draft Commerce Amendment to S.56**  
*Legislative Council – March 29, 2017*

<b>S.56 as Passed the Senate</b>	<b>H.142 (as reviewed by Commerce)</b>	<b>Draft Commerce Amend to S.56</b>
<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>	
<b>Sec. 1</b> recodifies a provision of law inadvertently repealed when the “standard nonforfeiture law for life insurance” chapter was rewritten in 2015.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
<b>Sec. 2</b> allows for enhanced penalties for violations of securities and insurance rules involving vulnerable adults.	Same	Keep
<b>Secs. 3-5</b> remove the monetary cap for multiple violations of securities law and provide enhanced penalties for securities act violations involving vulnerable adults.	Same	Keep
<b>Sec. 6</b> updates cross references to federal securities law.	Same	Keep
<b>Sec. 7</b> repeals VT’s exemption from the federal Philanthropy Protection Act of 1995.	Same	Keep
<b>Sec. 8</b> makes the act effective on passage.	Same	Incorporates H.195, H.202, H.374, and H.461 as follows:
		<b>Secs. 8-16</b> 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"> <li>• <b>Sec. 8</b> is H.547, which amends the bylaw requirements for cooperative insurance corporations.</li> <li>• <b>Secs. 9-15</b> 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.</li> <li>• <b>Sec. 16</b> reflects a proposal from the Department of Health concerning assistant medical examiners. The proposal gives them the same liability protection as State employees.</li> <li>• <b>H.619</b> is not included because it was enacted this year – S.2 (DFR information sharing).</li> <li>• <b>H.727</b> is not included because it concerned a DFR study of credit-based insurance scoring similar to another provision enacted in 2016.</li> </ul>
		<p><b>Sec. 17</b> 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 days,” per request of DFR and Asurian through Feehan.</i>
		<b>Sec. 18</b> reflects H.374, which requires DFR to study workers’ comp premium rates for high-risk occupations and industries
		<b>Secs. 19-22</b> 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.
		<b>Sec. 23</b> 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.