

# S.88: An act relating to insurance, banking, and securities

Department of Financial Regulation

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# Sec. 1: Clarify titles and terms that may not be used by unlicensed entities

- Unlicensed entities are prohibited from using the terms “debt adjuster” or “budget planner”
- Proposal prohibits the use of words of similar import
  - Debt coach, budget coach, etc.

# Sec. 2-3: Eliminate combination non-bank license

- Combination license created in 2019
  - Up to 4 license types for a discounted fee
- NMLS issue
- DFR not receiving necessary reporting
- Public records requests difficult

## Sec. 4: Increase the penalty for failure to timely file an annual report

- Proposal increases penalty from \$100 to \$1000 per month (or any portion thereof) after 5-day grace period
- 17% failed to file 2019 report
- DFR sends several notices
- Reports necessary to know how much business a company does in VT, to initiate exams

# Sec. 5: Eliminate mandatory annual reports for independent trust companies

- Currently DFR requires monthly or quarterly reporting from all independent trust companies
- Proposal simplifies statute such that Commissioner may require reports at such times and in such format as he prescribes

# Sec. 6-8: Permit mortgage loan originators and others to work from home

- Proposal eliminates need to artificially license homes as branches
- Withdraw bulletin and amend rule to eliminate 50-mile rule
- Adopt safeguards and guidance by rule

# Sec. 9: Eliminate requirement to return paper licenses

- Electronic licensing
- DFR hasn't required return of paper licenses for several years

# Sec. 10: Insurance confidentiality protections

- Proposal amends 8 V.S.A. § 23 (confidentiality of investigation and examination reports) to apply to insurance entities & credit unions
  - Effort to simplify and clarify
- Currently a variety of confidentiality protections for insurance
  - 8 V.S.A. § 3574(d)(4): documents and information produced or obtained in the course of an examination
  - 8 V.S.A. § 3561(b)(2): records and information of investigations



# Sec. 11-16: HMO RBC Act

- NAIC accreditation standard
- Proposal fixes minor inconsistencies in RBC requirements for HMOs

# Sec. 17: Extend sunset for insurance regulatory sandbox

- Proposal moves sunset out two years
- No applications to date

# Sec. 18: Securities filing fees

- Proposal clarifies that filing fees are nonrefundable in all circumstances
  - Statute currently specifies “denial or withdrawal”
  - DFR policy is not to refund fees
- Accidental filings happen often & are time-consuming

# Sec. 19: Major medical policy grace period

- Change in billing with 2022 plan year: from Exchange billing to carrier billing
- ACA one-month grace period requirement
- Codifies current carrier billing practices

## MARCH 2021

Sun	Mon	Tue	Wed	Thurs	Fri	Sat
	1. <b>April bill sent to member §4077(a)(1)</b>	2.	3.	4.	5.	6.
7.	8.	9.	10.	11.	12.	13.
14.	15.	16.	17.	18.	19.	20.
21.	22. <b>April premium due</b>	23.	24.	25.	26.	27.
28.	29.	30.	31. <b>Grace period begins §4077(a)(1)</b>			

## APRIL 2021

Sun	Mon	Tue	Wed	Thurs	Fri	Sat
				1. <b>May bill sent to member §4077(a)(1)</b>	2.	3.
4.	5.	6.	7.	8.	9. <b>Term. notice sent to member §4077(b)</b>	10.
11.	12.	13.	14.	15.	16.	17.
18.	19.	20.	21.	22. <b>May premium due</b>	23.	24.
25.	26.	27.	28.	29.	30. <b>Grace period ends §4077(a)(1)</b>	May 1. <b>Member may be termed §4077(c)</b>