

**§448. Insurance agency activities**

**1. Authorization.** A financial institution authorized to do business in this State or credit union authorized to do business in this State, or financial institution holding company, or an affiliate of either, other than a licensed supervised lender regulated under Title 9-A, Article IV, Part 4, may act as an insurance producer or consultant in this State and may employ, affiliate with or hire as a 3rd-party agent an insurance producer or consultant, if the producer or consultant is duly licensed under Title 24-A or engages in authorized insurance activities in another state, if the producer or consultant complies with the applicable laws of that state.

[PL 1999, c. 218, §23 (AMD).]

**2. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Affiliate" has the same meaning as defined in Title 24-A, section 1443-A, subsection 1, paragraph A. [PL 1999, c. 127, Pt. A, §22 (AMD).]

B. "Customer" means a person or business entity or an authorized representative of either who has been personally and directly offered, or presently maintains, an investment security, trust, credit or an insurance product with a financial institution or credit union authorized to do business in this State. [PL 1997, c. 315, §17 (NEW).]

[PL 1999, c. 127, Pt. A, §22 (AMD).]

**3. Customer notice that insurance is not federally guaranteed.** An institution that engages in insurance agency or brokerage activities authorized under subsection 1 must provide customer notice regarding insurance products in the following manner.

A. The institution shall post conspicuously a notice that is clearly visible to all customers that may purchase insurance products from the institution. The notice must state in clearly understandable language that the insurance is not insured by the Federal Deposit Insurance Corporation or National Credit Union Administration, as applicable; [PL 1997, c. 315, §17 (NEW).]

B. When a prospective purchaser of insurance is directly and personally contacted by the institution, the institution shall orally inform that prospective purchaser of insurance that the insurance product is not insured by the Federal Deposit Insurance Corporation or National Credit Union Administration, as applicable; and [PL 1997, c. 315, §17 (NEW).]

C. Before the sale of an insurance product is completed the institution must obtain a written statement signed by the purchaser of insurance that the purchaser received the oral notice required by paragraph B. [PL 1997, c. 315, §17 (NEW).]

[PL 1997, c. 315, §17 (NEW).]

**4. Distinguishing insurance products from loan or deposit products; identification of insurance producers.** To the extent practicable, sales of insurance products authorized by this section must take place in a manner that minimizes customer confusion between the deposit, share or loan products offered by the institution and those insurance products. An institution authorized under subsection 1 is in compliance with this subsection if it utilizes signs clearly visible to its customers that distinguish its insurance products from its deposit, share or loan products and that adequately identify insurance producers and consultants affiliated with the institution.

[PL 1999, c. 218, §23 (AMD).]

**5. Rulemaking.** The superintendent, Superintendent of Insurance and the Superintendent of Consumer Credit Protection are authorized, pursuant to this subsection, Title 9-A, section 4-407 and Title 24-A, section 1443-A, subsection 3 to undertake joint rulemaking to carry out the purpose of subsection 4, including issues regarding signs, the physical location of sales of insurance and identification of producers affiliated with financial institutions, credit unions, financial institution

holding companies or supervised lenders. In adopting rules pursuant to this section, the superintendent, the Superintendent of Insurance and the Superintendent of Consumer Credit Protection shall consider the possibility of confusion and perception of coercion among the insurance consuming public, the need for cost-effective delivery of insurance products to insurance consumers and the importance of parity among producers affiliated with federally chartered and state-chartered financial institutions and credit unions. Any rule adopted may not interfere significantly with the ability of a producer to solicit or negotiate the sale of an insurance product, whether or not that producer is affiliated with a financial institution, credit union, financial institution holding company or supervised lender, except when no other reasonable alternative exists to protect the insurance consuming public. Rules adopted under this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A. Nothing in this section is intended to restrict or interfere with the ability of the bureau, the Bureau of Insurance or the Bureau of Consumer Credit Protection to adopt rules with respect to areas in which the respective agencies have independent jurisdiction.

[PL 1999, c. 790, Pt. A, §10 (RPR); PL 2007, c. 273, Pt. B, §§5, 6 (REV); PL 2007, c. 695, Pt. A, §47 (AFF).]

**6. Applicability.** Other than the authorizations provided in subsection 1, this section does not apply to group health and group life insurance to the extent authorized by Title 24-A, chapters 31 and 35 when the insured is enrolled in the insurance policy, credit life and credit health insurance to the extent authorized by Title 24-A, chapter 37, credit property insurance, credit involuntary unemployment insurance, forced placed property insurance, a vendor's single interest policy or any other insurance product as determined by the Superintendent of Insurance. This section also does not apply to annuity sales authorized under section 443, subsection 11.

[PL 1997, c. 315, §17 (NEW).]

#### SECTION HISTORY

PL 1997, c. 315, §17 (NEW). PL 1999, c. 127, §§A22,23 (AMD). PL 1999, c. 218, §23 (AMD). PL 1999, c. 790, §A10 (AMD). PL 2007, c. 273, Pt. B, §7 (AFF). PL 2007, c. 273, Pt. B, §§5, 6 (REV). PL 2007, c. 695, Pt. A, §47 (AFF).

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