

**Vermont Department of Banking, Insurance, Securities
and Health Care Administration**

Bulletin No. 154

INSURANCE LAWS ENACTED DURING THE 2007 LEGISLATIVE SESSION

This Bulletin summarizes the laws enacted during the 2007 Session of the General Assembly relating to the business of insurance. Laws relating to the business of health insurance are addressed in a separate bulletin.

This Bulletin is intended to provide general information only, for the purpose of notifying interested parties of changes that may be necessary in their operations. Anyone who may be affected by any of these laws is urged to obtain an unofficial version of the act at the Legislative Council website: www.leg.state.vt.us, or to obtain an official version of the act from: Legislative Council, State House, Montpelier, VT 05602 (802) 828-2231. Any questions relating to the Department's implementation and administration of these laws should be directed to the Insurance Division (802-828-3301), or the General Counsel's Office (802-828-2380).

Act 49. (S.91) Miscellaneous Amendments To The Laws Administered By The Department.

Accredited reinsurers—annual statement due date. This amendment establishes specific deadlines for reinsurers filing annual statements and audited financial statements plus the payment of annual fees, consistent with the deadlines already established for licensed lenders.

Credit for reinsurance—letters of credit. This amendment allows an insurer to take credit for reinsurance so long as the letter of credit is “effective” no later than December 31, regardless of when the letter of credit is actually issued or confirmed.

Annual audited financial reports. This is an amendment necessary to conform to the accreditation standards of the National Association of Insurance Commissioners. It precludes Certified Public Accountants conducting annual independent audits of insurance companies from entering into an agreement of indemnification or release from liability with respect to the insurer being audited. The amendment explicitly allows mediation or arbitration agreements to resolve disputes relating to an audit.

Annual NAIC Report. The requirement that the National Association of Insurance Commissioners file an annual report of its activities with the Commissioner, and with the House Commerce and Senate Finance Committees is repealed.

Surplus lines insurers—annual fee. This amendment simply changes the due date for the payment of a “listing fee” by a surplus lines insurer from April 1 to March 1 of each year, to conform to the payment dates of licensed insurers.

Act 80. (S.115) An Act Relating to Increasing Transparency of Prescription Drug Pricing and Information

Medicare Part D marketing. Insurance producers and companies are prohibited, in connection with selling, soliciting or negotiating the purchase of health insurance from:

(1) failing to disclose in a conspicuous manner that a purpose of marketing is the solicitation of insurance; (2) using an appointment to discuss the sale of Medicare products to solicit sales of any other insurance products unless the consumer requests the solicitation, and the products to be discussed are clearly identified to the consumer in writing at least 48 hours in advance of the appointment, and (3) soliciting the sale of Medicare products door-to-door prior to receiving an invitation from a consumer.

Dated at Montpelier, Vermont, this ___23rd___ day of July, 2007.

s/pjt
Paulette J. Thabault, Commissioner