

January 27, 1975

Dear

Your letter of November 12, 1974, to Attorney General Jon Lund, has been referred to this Bureau for response. Please be advised that the Bureau is aware of the existing inconsistencies between Article 4 of The Maine Consumer Credit Code (Credit Insurance) and The Maine State Insurance Code, as it relates to credit insurance.

Specifically, Section 4.104(3) of The Maine Consumer Credit Code was intended to eliminate so-called 30- and 15-day retroactive credit insurance plans. A drafting error has rendered that particular legislative intent in-operative. However, emergency legislation will be submitted to the 107th Legislature to clarify this section to insure the application of the original legislative intent that such retroactive plans be eliminated from credit insurance plans subject to the Code. The Maine Insurance Code will, in turn, be amended to prohibit such retroactive plans in the sale of credit insurance in the State of Maine.

You may also be interested to know that both the article on insurance in The Maine Consumer Credit Code and the State Insurance Code will be amended to include credit insurance scheduled up to fifteen (15) years.

Respectfully,

/s/ John E. Quinn

John E. Quinn
Superintendent

JEQ/dab

AR #88 AMENDMENT

The inconsistency between §4-104 and the Maine Insurance Code noted in this Ruling was corrected by P.L. 1975, c. 288, §2.

07/14/86