

Senator Chip Curry, Chair
Representative Traci Gere, Chair
Joint Committee on Housing and Economic Development
Maine State Legislature

February 27, 2025

Re: LD 414 - An Act to Prohibit Deceptive Pricing

Dear Chairs Curry and Gere and Distinguished Committee Members:

On behalf of the American Council of Life Insurers, thank you for the opportunity to submit these comments in opposition to LD 414, An Act to Prohibit Deceptive Pricing. LD 414 would amend Title 5, Chapter 10 (Unfair Trade Practices) to prohibit a person from advertising, displaying, or offering a price for goods or services that does not include all mandatory fees or charges other than (1) taxes or fees imposed by a government on the transaction or (2) postage or carrier charges that are reasonable and actually incurred to ship the physical goods to the consumer.

The inclusion of the life insurance industry in LD 414 is unnecessary and inappropriate. Insurers must collect personal information during the underwriting process, before quoting a total price to a customer, and life insurers and their products are highly and ably regulated by the Bureau of Insurance in all aspects of our business, including sales, advertising, marketing, and pricing.

Chapter 23 of Title 24-A of the Maine Insurance Code addresses the area that LD 414 seeks to regulate. The following are two examples of unfair practices for insurers under Chapter 23:

§2153. Misrepresentation; false advertising of policies

No person shall make, issue, circulate, or cause to be made, issued or circulated, any estimate, illustration, circular or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or make any false or misleading statement as to the dividends or share of surplus previously paid on similar policies, or make any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

which any life insurer operates, or use any name or title on any policy or class of policies misrepresenting the true nature thereof.

§2159. Unfair discrimination – life insurance, annuities and health insurance

1. No person shall make or permit any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract.

2. No person may make or permit any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever. Nothing in this provision prohibits an insurer from providing incentives for insureds to use the services of a particular provider.

In addition, the insurance superintendent and regulators in other states have extensive authority to conduct market conduct examinations and request information and data from licensees.

Life insurers have excellent track records regarding consumer satisfaction. Our members recognize their affirmative obligation to provide consumers with valuable products. Insurance consumers would not benefit from duplicitous oversight or inconsistent rules that may dilute the ability of the Bureau of Insurance to exercise strong oversight of insurance fees. For these reasons, we respectfully request that the Committee vote Ought Not to Pass on LD 414, or otherwise exempt life insurance from the scope of the bill.

Please do not hesitate to contact any of us should you have any questions.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a horizontal line extending to the right.

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