

DFR Legislative Development Meeting

Date: 9/11/2015

Present: Susan Donegan, Laura Gray, James Pepper, Heather Campbell

Susan is not looking to do anything proactive this year other than modestly raising fees for non-controversial industries such as specialty insurance (e.g. travel insurance)

Issues DFR is studying and are likely to be discussed this year:

1. Impacts of blockchain technology (such as bitcoin) on financial services
 - a. Study due by Jan 1
 - b. DFR is neutral on implementing blockchain tech in VT
2. The “sharing economy” products (e.g. AirBnB, Uber, etc.)
 - a. Insurance industry would appreciate DFR exerting regulatory authority over the insurance side of these transactions (e.g. insurance products for AirBnB tenants or Uber passengers)
 - b. Susan doesn’t want to get in the middle of this seemingly national issue but will be releasing informational papers to better inform sharing economy participants
3. Legalization
 - a. Susan has put together a white paper on the impacts of legalization on financial services
 - b. Unresolved issues related to banking and insurance for retail dispensaries since marijuana is federally recognized as a Schedule I drug
 - c. Retailers in CO/WA are literally driving around with cars full of cash because of the inability to use interstate financial institutions
4. Peer to peer lending & investment
 - a. Alternative access to capital for people denied from traditional lenders
5. Litigation Funding
 - a. The idea here is that personal injury litigants take out loans using the prospect of receiving money damages in a successful action as collateral (very similar to pay day lending)
 - b. Totally unregulated in Vermont currently
 - c. Seemingly predatory but some have used this to pay for treatment when no other alternatives have been available
6. Captive Insurance bill likely to pass
 - a. Legislature likes to pass a captive insurance bill each year so as to demonstrate that VT is paying attention to this industry and is the gold standard state for domestication
 - b. Bill likely to be substantively harmless