



TERRITORY OF GUAM  
OFFICE OF THE GOVERNOR  
AGAÑA, GUAM 96910  
U. S. A.

EXECUTIVE ORDER NO. 87-14

USE OF GOVERNMENT SCHOOL BUSES

WHEREAS, Section 1103 of 4 Guam Code Annotated, requires the Governor, by Executive Order, to prescribe the use of vehicles assigned to the Executive Branch of government; and

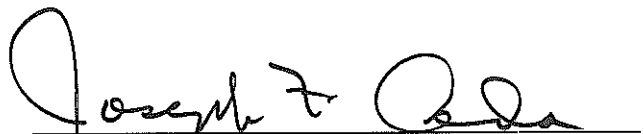
WHEREAS, one class of vehicles assigned to the Executive Branch are school buses; and

WHEREAS, on March 25, 1987, the Attorney General issued an opinion advising the Director of the Department of Public Works that no executive guidance exists as to use of school buses.


NOW, THEREFORE, I, JOSEPH F. ADA, Governor of the Territory of Guam, by virtue of the authority vested in me by Section 6 of the Organic Act and 4 GCA Section 1103, do hereby order that school buses may be used as follows:

1. to transport all of the school children, both public and private, to school from their neighborhood and back; and
2. to transport school children for interscholastic programs and field trips, subject to availability of funds; and
3. to transport senior citizens to activities when Guam Mass Transit Authority is unable to do so, subject to availability of funds.

SIGNED AND PROMULGATED at Agana, Guam this 4th day of APRIL,  
1987.

  
JOSEPH F. ADA  
Governor of Guam

COUNTERSIGNED:

  
FRANK F. BLAS  
Lieutenant Governor of Guam



DEPARTMENT OF REVENUE & TAXATION

GOVERNMENT OF GUAM

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V.M. CONCEPCION  
DEPUTY DIRECTOR

J.C. CARR BETTIS  
DIRECTOR

EX OFFICIO

TAX COMMISSIONER

BANKING COMMISSIONER

SAVINGS & LOAN COMMISSIONER

INSURANCE COMMISSIONER

REAL ESTATE COMMISSIONER

ABC ADMINISTRATOR

SECURITIES ADMINISTRATOR

UCC ADMINISTRATOR

JUN 30 1987

MEMORANDUM

To: The Governor

From: Director of Revenue and Taxation

Subject: Prepaid Legal Service Plan Regulations

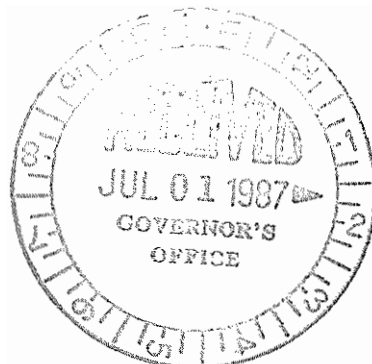
Attached please find the regulations governing prepaid legal service plans on Guam. These regulations were promulgated under the Administrative Adjudication Law after a public hearing held on June 22, 1987.

Also attached is an Executive Order for your signature promulgating the regulations as revised. After this Executive Order is signed, please return the original Regulations and Executive Order to this office so that we can transmit them to the Legislative Secretary.

Thank you for your attention on this matter.

J.C. CARR BETTIS  
Acting

Attachments



REGULATIONS PERTAINING TO THE BUSINESS OF  
PRE-PAID LEGAL SERVICE PLANS IN GUAM

- Section 1. Title
- Section 2. Purposes
- Section 3. Definitions
- Section 4. Exemptions
- Section 5. Establishment of a Legal Service Organization
- Section 6. Certificate of Authority
- Section 7. Working Capital
- Section 8. Powers of a Legal Service Organization
- Section 9. Contract Forms
- Section 10. Annual Report
- Section 11. Complaint System
- Section 12. Prohibited Practices
- Section 13. Regulation of Sales Agents
- Section 14. Examinations
- Section 15. Administrative Findings and Sanctions
- Section 16. Fees
- Section 17. Statutory Construction and Relationship  
to other Laws

Regulations Pertaining to the Business  
of Prepaid Legal Service Plans in Guam

Section 1. Title

These Regulations shall be cited as the Legal Service Benefit Organization Regulations of 1987.

Section 2. Purpose

These Regulations shall be interpreted liberally to achieve the purpose of encouraging the development of effective and economical methods for making legal service plans available to the people of Guam; and to protect the interests of the public as consumers of legal service plans by the regulation of legal service plan providers.

Section 3. Definitions

- (1) "Legal Service Benefit Organization" (LSBO) or "organization" means any person or group of persons authorized by this statute to provide or offer a legal service plan or plans.
- (2) "Legal Service Plan" means a contract between an enrollee or group of enrollees and a person whereby the person undertakes to provide, arrange for, or pay for the cost of preventive, basic, and/or comprehensive legal service benefits and related expenses in exchange for a fixed prepaid sum or per capita payment.
- (3) "Legal Services" means any service normally provided by an attorney, as well as the payment of related expenses and court costs incurred in the exercise of any legal right; but not including the payment of fines, penalties, judgments, or assessments.
- (4) "Enrollee" means a participant who is entitled to receive legal services under a legal service plan.
- (5) "Affiliated Provider" means any attorney licensed or otherwise authorized to practice law on Guam having a written contract with a Legal Services Benefit Organization to provide authorized legal services to an enrollee or group of enrollees under a legal service plan which pays the attorney a prepaid sum or per capita payment in exchange for all or a portion of those services.
- (6) "The Act" refers to the Prepaid Legal Service Programs Law of 1986, enacted by Public Law 18-6 and amended by Public Law 18-49.
- (7) "Sales Representative" means a person authorized by a Legal Service Benefit Organization to issue, deliver and sign Legal Service Plans, to accept service of

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process on behalf of the Legal Service Benefit Organization, and vested with full authority to consummate a contract with the Legal Services Benefit Organization, to transact all other necessary business of the Legal Services Benefit Organization on Guam, and authorized by the Legal Services Benefit Organization to solicit applications, receive proposals, receive payments or premiums due under the Legal Service Plan and deliver Legal Service Plans.

Section 4. Exemptions

The Act and these Regulations shall not apply to:

- (1) Retainer contracts made by an Attorney with individual clients with fees based upon an estimate of the nature and amount of services to be provided to a specific client and similar contracts made with a group of clients involved in the same or closely related legal matters.
- (2) Not-for-profit bar association sponsored or approved lawyer referral services.
- (4) Employee Welfare Benefit Plans.

Section 5. Establishment of Legal Services Organizations

- (1) Any person may apply to the Director of Revenue and Taxation to obtain a Certificate of Authority to establish and operate a Legal Services Benefit Organization in compliance with these Regulations.
- (2) No person shall establish or operate a Legal Services Benefit Organization in Guam, or sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a legal services plan without obtaining a certificate of authority under these Regulations.
- (3) Every Legal Services Benefit Organization wishing to do business on Guam as of the effective date of these Regulations shall submit an application for a Certificate of Authority under Subsection (4) of this section. In the event an application is denied under Section 7, the applicant shall thereafter be treated as a Legal Services Benefit Organization whose Certificate of Authority has been revoked.
- (4) Applications for a Certificate of Authority shall be made in a form prescribed by the Director of Revenue and Taxation and be verified by an officer or authorized representative of the applicant and shall contain or be accompanied by:

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- (a) A copy of the basic organizational documents of the applicant, including Articles of Incorporation, partnership agreements, trust agreements, or other applicable documents;
- (b) A copy of the By-Laws, Regulations, or similar documents, regulating the conduct of the internal affairs of the applicant;
- (c) A list of the names, addresses and official capacities within the organization of all persons who are responsible for the conduct of the affairs of the applicant, including all members of the governing body, the officers and directors in the case of a corporation; the partners under a partnership; the trustees under a trust agreement and the members or owners under any other organizational form;
- (d) A statement generally describing the organization; its enrollment process; its administrative operations; any cost and quality control assurance mechanisms, its complaint mechanism and procedures, the method it proposes to use to enroll members, the geographic area or areas to be served, the location of its office or offices, the number of providers to be utilized, and the record keeping system which will provide documentation of the utilization of plan benefits by enrolled participants;
- (e) Copies of all contract forms the organization proposes to furnish to enrollees;
- (f) Copies of all contract forms the organization proposes to enter into with affiliated providers;
- (g) Copies of the forms of evidence of coverage to be issued to enrolled participants;
- (h) Copies of the forms of group contracts, if any which are to be issued to employers, unions, trustees or other organizations;
- (i) A statement of the financial condition of the organization, including balance sheet, showing working capital of at least two hundred and fifty thousand dollars, as required by Section 7 below, certified to by an independent certified public accountant;
- (j) A description of the proposed marketing techniques and copies of any proposed advertising materials;

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- (k) A schedule of rates;
  - (l) The statement of reserves accompanied by the affidavit of an Actuary as required by Section 7 below; and
  - (m) Other information requested by the Director of Revenue and Taxation necessary to make the determinations under Section 7.
- (5) Every Legal Services Benefit Organization already doing business in Guam as a Legal Services Benefit Organization as of the effective date of these Regulations must obtain a Certificate of Authority under this section.

Section 6. Certificate of Authority.

- (1) The Director of Revenue and Taxation shall issue to any person filing an application, within 30 days of the filing, a Certificate of Authority; or
- (2) The Director of Revenue and Taxation may refuse to issue a Certificate of Authority, if he notifies the applicant during that time that the application is not complete or sufficient and the reasons therefore, that payment of the fees required by Section 16 has not been made or that he is not satisfied that:
  - (a) The basic organizational documents of the applicant when combined with the powers enumerated in Section 8, permit the applicant to conduct business as a Legal Services Benefit Organization; or
  - (b) The organization has demonstrated the intent and the ability to provide the services in a manner which insures their availability and accessibility; or
  - (c) The organization is financially responsible and may be reasonably expected to meet its obligations to its enrolled participants; or
  - (d) The organization has not met the requirements of these Regulations.

Section 7. Working Capital and Reserves

- (1) The Legal Services Benefit Organization must have and maintain minimum working capital of two hundred and fifty thousand dollars (\$250,000.00). If it is shown in the application or in the annual report that an organization's working capital has been less than

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\$250,000.00, then the organization's certificate of authority shall be suspended subject to a hearing before the Director of Revenue and Taxation conducted pursuant to the Administrative Adjudication Law.

- (2) The Legal Services Benefit Organization must have and maintain minimum reserves in accordance with generally accepted actuarial practices. The adequacy of such reserves shall be determined solely by the Director of Revenue and Taxation upon application under Section 5. Such application shall be accompanied by an affidavit by an Actuary as defined in sub-section (3) below, that in his or her professional opinion the reserves of the Legal Services Benefit Organization meet with generally accepted sound actuarial practices.
- (3) "Actuary" as used in sub-section (2) of this section means a person who is enrolled by the Joint Board for the Enrollment of Actuaries established under sub-section C of Title II of the Employee Retirement Income Security Act of 1974.
- (4) The reserves required by this section shall be kept on deposit in such bank or banks, or other financial institutions, located in Guam, as are approved for such purposes by the Director of Revenue and Taxation. Such deposits shall at all times include lawful money of the United States equalling at least twenty-five percent (25%) of the reserves; the remainder of such deposits may consist of lawful money of the United States or securities of the types allowable as investments for domestic insurers under section 43166 of the Guam Government Code, or any combination of such money and such securities.
- (5) The reserves required by this section shall not be expended except when necessary to pay a claim against the organization, in which event the reserves shall be replenished by the organization in such time as sound generally accepted actuarial practices require.

Section 8. Powers of a Legal Services Benefit  
Organization

The powers of a holder of a Certificate of Authority issued pursuant to Section 6 shall, in addition to any other powers conferred by the law under which the legal services benefit organization is organized, include the following:

- (1) The purchase, lease, construction, renovation, operation, or maintenance of facilities and property reasonably required for the delivery of services or for such purposes as may be considered reasonably necessary to the operation of the organization;



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- (2) Marketing and administering a Legal Services Plan or Plans, as defined in Section 3(2), or contracting with any person for the performance of these functions on its behalf.

The above powers are subject to other requirements of law such as permits, licenses, etc.

Section 9. Contract Forms

- (1) All forms of contracts issued by the organization to enrollees and marketing documents purporting to describe the organization's Legal Service Plan shall contain:

- (a) A complete description of the legal services to which the enrollee is entitled, including a statement as to whether the following specific legal services are included in the services to be rendered:

- i -costs of appeals of an action to higher courts
- ii -the costs of an action, i.e., court costs, deposition costs, expert witness fees
- iii -administrative level actions

- (b) The predetermined periodic rate of payment for legal services which the enrollee is obligated to pay per month and per year. The rate per year shall be set forth in the contract in bold print in the following manner:

"These legal services will cost you \$\_\_\_\_\_ per year."

- (c) All exclusions and limitations on services to be provided, set forth in the contract in the following manner:

"The following services are not covered: \_\_\_\_\_ ... "If excluded, the following services must be specifically mentioned as excluded:

- i -divorce, child custody and domestic matters
- ii -bankruptcy
- iii -DWI's, DUI's and other alcohol related incidents
- iv -debt collection
- v -criminal proceedings

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- vi -intentional torts, i.e., assault, battery.
- vii -drug related incidents

- (d) A list of affiliated providers. If the list of affiliated providers is changed by the Legal Services Benefit Organization, such amended list must be provided to each enrollee within thirty days after such change and to the Director of Revenue and Taxation within 15 days after such change.
  - (e) All criteria by which an enrollee may be dis-enrolled or denied re-enrollment.
- (2)
- (a) In addition to any right otherwise to revoke an offer, the enrollee has the right to cancel a home solicitation sale of a Legal Service Plan until midnight of the third calendar day after the day on which the enrollee signs an agreement or offer to purchase a Legal Service Plan.
  - (b) Cancellation occurs when the enrollee gives written notice of cancellation to the Sales Representative at the address stated in the agreement or offer to purchase.
  - (c) Notice of cancellation, if given by mail, is given when it is deposited in a mail box properly addressed and postage prepaid.
  - (d) Notice of cancellation given by the enrollee need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the enrollee not to be bound by the home solicitation sale.
  - (e) In a home solicitation sale of prepaid legal services, the Sales Representative must present to the enrollee and obtain his signature to a written agreement or offer to purchase which designates as the date of the transaction the date on which the enrollee actually signs and contains a statement of the enrollee's rights which complies with subsection (f).
  - (f) The statement must:
    - i -appear under the conspicuous caption:  
"ENROLLEE'S RIGHT TO CANCEL",
    - ii -contain the name and mailing address of the Sales Representative in the place prescribed by paragraph (b), and

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- iii -say the following: "If you do not want the services you may cancel this agreement by mailing a notice to the Sales Representative. The notice should say that you do not want the services and should be mailed before midnight on the third day after you sign this agreement. The notice should be mailed to the following address (insert a mailing address of Sales Representative). If you cancel, the Sales Representative may keep up to the first monthly payment for these services".
- (g) Until the Sales Representative has complied with this section the enrollee may cancel the home solicitation sale by notifying the Sales Representative any manner and by any means of his intention to cancel.
- (3) No contract between a Legal Services Benefit Organization authorized to do business under the Act and any affiliated provider shall contain any provisions which require enrollees to guarantee payment (other than co-payments and deductibles) to the affiliated provider in the event of non-payment by the legal services organization for any services which have been performed under contracts between the enrollee and the legal services organization.
- (4) A Legal Services Benefit Organization shall assume full financial risk on a prospective basis for providing legal services. However, the organization may require an affiliated provider to assume financial risk under the terms of its contract, obtain insurance, or make other arrangements for the cost of providing to an enrollee legal services.
- (5) No contract between a Legal Service Benefit Organization and a Sales Representative may disclaim the legal relationship or consequences of an agency relationship, and the Legal Service Benefit Organization remains liable for all statements and representations of any kind made by Sales Representatives if such statements or representations were made under the implied or express direction of or with the implied or express approval of the Legal Service Benefit Organization.
- (6) No contract form or amendment shall be issued unless it is approved by the Director of Revenue and Taxation.
- (7) Professional fees will be paid directly to the attorney by the Legal Service Benefit Organization, and no refunds will be made to the enrollee. The affiliated provider shall not accept any fees from the enrollee for covered benefits under the legal service plan.

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Section 10. Annual Report

- (1) All Legal Services Benefit Organizations subject to these Regulations shall annually, on or before the date when the Legal Services Benefit Organization's Certificate of Authority expires, file a report with the Director of Revenue and Taxation, verified by an appropriate official of the organization.
- (2) The report shall include:
  - (a) A financial statement of the organization, including its balance sheet showing maintained working capital of at least two hundred fifty thousand dollars (\$250,000.00) as required in Section 7, above, certified to by an independent certified public accountant;
  - (b) An affidavit by an Actuary as that term is defined in paragraph 7(3) above, that the reserves of the Legal Services Benefit Organization continue to meet with generally accepted sound actuarial practices; and
  - (c) Such other information relating to the performance of the organization as the Director of Revenue and Taxation requires to enable him to carry out his duties under these Regulations.

Section 11. Complaint System.

Every Legal Services Benefit Organization shall establish and maintain a complaint system, which has been approved by the Director of Revenue and Taxation, to provide reasonable procedures for the resolution of complaints initiated by enrollees concerning any aspect of the legal services plan or plans operated by the organization.

Section 12. Prohibited Practices.

- (1) No Legal Services Benefit Organization, or representative thereof, may cause or knowingly permit the use of advertising or solicitation which is false, fraudulent, misleading or deceptive or any form of evidence of coverage which is deceptive for the purpose of these Regulations.
- (2) A statement or item of information shall be considered to be untrue if it does not conform to fact in any respect which is or may be significant to an enrollee, or a person considering enrolling, in a legal services plan.

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- (3) A statement or item of information shall be considered to be misleading, whether or not it may be literally untrue, if, in the total context in which such statement is made or such item of information is communicated, such statement or item of information may be reasonably understood by a reasonable person, not possessing special knowledge regarding legal service coverage, as indicating any benefit or advantage or the absence of any exclusion, limitation, or disadvantage of possible significance to an enrollee, or person considering enrolling in a legal services plan, if such benefit or advantage or absence of limitation, exclusion or disadvantage does not in fact exist.
- (4) An evidence of coverage shall be deemed to be deceptive if the evidence of coverage taken as a whole and with consideration given to a typography and format and language, shall be such as to cause a reasonable person, not possessing special knowledge regarding legal service plans and evidence of coverage thereof, to expect benefits, services or changes which the evidence of coverage does not provide or which the legal services issuing such evidence of coverage does not regularly make available for participants covered under such coverage.
- (5) (a) An enrollee's coverage may not be cancelled or non-renewed except for the failure to pay the charge for such coverage, or for such other reasons as may be presented to the Director of Revenue and Taxation and approved in writing by the Director of Revenue and Taxation or his delegate.
- (b) Notice to insured. No cancellation or refusal to renew an enrollee's coverage shall be effective unless the Legal Services Benefit Organization shall deliver or mail, to the named enrollee at the address shown in the Legal Service Plan, a written notice of the cancellation or refusal to renew. Such notice shall:
  - i -Be approved as to form by the Director of Revenue and Taxation prior to use;
  - ii -State the date, not less than fifteen (15) days after the date of such mailing or delivering on which such cancellation or refusal to renew shall become effective;
  - iii -State the specific reason or reasons for cancellation or refusal to renew;

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- iv -Advise the enrollee of his right to request in writing, within ten (10) days of the receipt of the notice of cancellation or intention not to renew, that the Director of Revenue and Taxation review the action of the Legal Services Benefit Organization.
- (c) When a Legal Services Benefit Organization refuses to confer a benefit on an enrollee, the burden of proof is on the Legal Services Benefit Organization to establish that such refusal was in good faith.
- (6) No Legal Service Organization shall use in its name, contracts or literature any of the words "insurance," "casualty," "surety," "mutual," or any other words descriptive of the insurance, casualty, or surety business or similar to the name or description of any insurance or surety corporation doing business in this territory.

Section 13. Regulation of Sales.

- (1) It shall be unlawful for any person to do or perform any act in Guam as a Sales Representative of a Legal Service Benefit Organization, or to hold himself out as such, without holding a valid license issued by the Director of Revenue and Taxation for one year, and renewable after the expiration of one year. The fee for such license and the renewal thereof shall be fifty dollars (\$50.00).
- (2) A Sales Representative holding a valid license under this section shall not be required to comply with Title XVII, sections 16000 through 16025 of the Government Code.
- (3) Endorsement of qualifications. The Director of Revenue and Taxation shall investigate the qualifications of any person applying for a LSBO Sales Representative license or renewal. For the purpose of his investigation, he shall require the applicant to file with him a statement, verified under oath, as follows:
  - (a) The name, age, business and residence address of the applicant, and if the applicant is a firm or corporation, the name and address of each person thereof designated to act for him;
  - (b) Insurance experience of the applicant, if any, together with the names and addresses of all insurers or agents whom he represented or was employed by;

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- (c) A statement revealing any other jobs held by the applicant at the time of the application and for 5 years prior to the date of application, and the name and address of each current or prior employer.
  - (d) Such other information as the Director of Revenue and Taxation shall specifically request of the applicant.
- (4) Same: refusal, suspension, revocation.
- (a) The Director of Revenue and Taxation may, for the reasons contained herein, refuse to issue or renew a license, or may suspend or revoke a license, for any of the following reasons:
    - i -The person has wilfully violated any provision of this Title;
    - ii -The person has intentionally made a material misstatement in his application;
    - iii -The person has been guilty of fraudulent or dishonest practices;
    - iv -The person has misappropriated or converted to his own use or illegally withheld monies held in a fiduciary capacity;
    - v -The person has misrepresented the terms and conditions of benefit contracts;
    - vi -The person has conducted business in such a manner as to cause injury to the public or to those with whom he is dealing;
    - vii -The person does not meet the necessary qualifications to act in such capacity.
  - (b) A license may be suspended for not more than sixty (60) days. A person whose license has been revoked shall not be eligible to apply for a new license for a period of three (3) months.
  - (c) A refusal, suspension, or revocation under this section shall be by order of the Director of Revenue and Taxation, and the person adversely affected may request a hearing pursuant to the Administrative Adjudication Law.
  - (d) Notice of any refusal, suspension or revocation of a license under this section shall be given to the Legal Services Benefit Organization and to the Sales Representative.

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Section 14. Examinations

- (1) The Director of Revenue and Taxation shall conduct periodic examination of the operations of any Legal Service Benefit Organization. Such examination shall include, but not limited to, all contracts, agreements and arrangements for the operation of the legal service plan or plans and shall be made as often as the Director of Revenue and Taxation considers necessary.
- (2) No examination by the Director of Revenue and Taxation shall be undertaken which would in any way violate the attorney-client privilege, except with the express written consent of the enrollee.

Section 15. Administrative Findings and Sanctions

- (1) The Director of Revenue and Taxation, consistent with the provisions of Guam Administrative Procedure Law may initiate proceedings to determine if a Legal Service Benefit Organization has:
  - (a) Operated in a manner that materially violates its organizational documents;
  - (b) Materially breached its obligations to furnish the legal services specified in its contracts with enrollees;
  - (c) Violated any provision of the Act or these regulations promulgated hereunder;
  - (d) Make any false statement with respect to any report or statement required by the Act, these regulations, or by the Director of Revenue and Taxation under this Act;
  - (e) Advertised or marketed, or attempted to market, its services in a manner which misrepresents its services or its capacity to deliver services, or engaged in deceptive, misleading or unfair practices with respect to advertising or marketing;  
or
  - (f) Attempted to prevent the Director of Revenue and Taxation from the performance of any duty imposed by the Act or these regulations.
- (2) After providing written notice and an opportunity for a hearing to be scheduled no sooner than 10 days following the notice, the Director of Revenue and Taxation shall make administrative findings and, as appropriate, may suspend or revoke the Certificate of Authority or may order that the Legal Services Organization:



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- (a) Cease or modify inappropriate conduct or practices by it or any of the personnel employed or associated with it;
  - (b) Fulfill its contractual obligations;
  - (c) Provide a service which has been improperly denied;
  - (d) Take steps to provide or arrange for any services which it has agreed to make available; or
- (3) If its Certificate of Authority is suspended, the organization, during the period of such suspension, shall not enroll any additional enrollees and shall not engage in any advertising or solicitation whatsoever.
  - (4) If its Certificate of Authority is revoked, the organization shall proceed under the supervision of the Director of Revenue and Taxation immediately following the effective date of the revocation, to conclude its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of such affairs; provided that the Director of Revenue and Taxation may, by written order, permit further operation of the organization as he finds to be in the best interest of the enrollees, to the end that the enrollees will be afforded the greatest practical opportunity to obtain continued legal services coverage.

Section 16. Fees.

Every organization subject to this Act shall pay to the Department of Revenue and Taxation the following fees:

- (1) For filing a copy of its application for a Certificate of Authority or Amendment thereto, \$75.00.
- (2) For filing an annual report pursuant to Section 13, \$35.00.
- (3) The costs of any examinations conducted pursuant to Section 17.

Section 17. Statutory Construction and Relationship to Other Laws.

- (1) Sections 43000 et seq. of the Guam Government Code shall not be applicable to any Legal Services Benefit Organization granted a Certificate of Authority under this Act. This provision shall not apply to an insurer

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licensed and regulated pursuant to the insurance laws or the general laws of Guam except with respect to its legal service organization activities authorized and regulated pursuant to the Act.

- (2) Any Legal Services Benefit Organization authorized under the Act shall not be considered to be practicing law and shall be exempt from the provisions of sections 28000 et seq. of the Government code relating to the practice of law.