

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 2

H.P. 9

House of Representatives, January 8, 2003

### An Act to Extend the Time to Pay a Premium to the Insured

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative O'NEIL of Saco.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 24-A MRSA §1449**, as enacted by PL 1997, c. 457, §23  
and affected by §55, is amended to read:

6 **§1449. Reporting and accounting for premiums**

8 All premiums and return premiums received by an insurance  
10 producer are trust funds received by the licensee in a fiduciary  
12 capacity. The licensee shall account for and pay the premiums to  
14 the insured or apply the premiums to outstanding balances of any  
insured within ~~10~~ 45 days from the date of receipt. The date of  
16 receipt is the date the money is actually received or the date  
the credit is posted by the insurer, health maintenance  
18 organization, fraternal benefit society or nonprofit hospital or  
medical service organization to the licensee's account. The  
20 licensee shall promptly account for and pay premiums to the  
insurer, health maintenance organization, fraternal benefit  
22 society or nonprofit hospital or medical service organization in  
accordance with the contract between the insurer, health  
maintenance organization, fraternal benefit society or nonprofit  
hospital or medical service organization and the licensee.

24  
26 **SUMMARY**

28 This bill extends the time for a licensee to pay premiums to  
the insured from 10 days to 45 days.