

# MAINE STATE LEGISLATURE

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July 20, 1943

Guy R. Whitten, Deputy Commissioner      Insurance  
Frank A. Farrington, Deputy              Attorney General  
Tax on Unauthorized Insurance

Reference is to your memo of July 16th.

A study of the memorandum of your examiners and of the policy form of American Marine Insurance Syndicate leads to the conclusion that the contract of insurance is a contract between the insured and the various companies who are subscribers to the Syndicate, not a contract with the syndicate as such.

Based on the above conclusion, it is my opinion that when unauthorized companies are subscribers, the agency (in this instance the Allen Insurance Agency) permitted to procure insurance from unauthorized companies under Section 126, Chapter 60, R. S. 1930, as amended, is responsible for the tax on premiums received by such companies.

In the case of subscribers who are authorized to do business in this State, the agency is not responsible for the premium tax. The authorized companies should, however, include the premiums received by them in their report of gross direct premiums received.

It thus seems that the Allen Insurance Agency has paid all the tax on premiums which it is required to pay by Section 126, Chapter 60, R. S. 1930, as amended.

Frank A. Farrington  
Deputy Attorney General

FAF:c

*no*