

MAINE STATE LEGISLATURE

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November 15, 1973

Harry W. Giddings, Acting Director

Banks and Banking, Division of
Personal and Consumer Finance

Martin L. Wilk, Assistant

Attorney General

Insurance Premium Finance Company Act - Offices and Examination

This will respond to your memorandum dated November 8, 1973, regarding the matter referred to above.

In answer to your first question whether there is any specific provision in the Insurance Premium Finance Company Act, 9 M.R.S.A. §§ 4001 - 4021 (P.L. 1973, Chapter 490), requiring an applicant to maintain an office in this State, there is no specific provision. However, there are several provisions in the Act which implicitly require the maintenance of a resident office, and we, therefore, conclude that licensees must comply with this requirement.

Section 4003 provides that "No person shall assign, transfer or sell any insurance premium finance agreement to any person who is not authorized . . . to do . . . business . . . in this State." Section 4004 provides that "Any license issued under this Part shall be conspicuously posted in the office of the licensee" Section 4005 recites that the application for a licensee shall state ". . . the address where the business is to be conducted" And, as you recognize, Section 4010 requires that "Every insurance premium finance company shall keep within this State such books, accounts and records relating to all transactions under this Part as will enable the commissioner to enforce full compliance with this Part." (Emphasis supplied).

These provisions would not be meaningful if the licensee was not required to maintain an office in this State, and they evidence the intention of the Legislature to impose such a requirement.

Your second question is whether Bureau of Banks and Banking may require those licensees who have, pursuant to Section 4010, been given permission to maintain their books and records outside of the State to defray all necessary out-of-state travel expenses incurred by the Bureau's Examiners in the examination of such licensees. In our opinion, the Bureau may not, in the absence of statutory authority, require the payment of such expenses. We find no such authority in connection with the administration of the Insurance Premium Finance Company Act.

We note that the Bureau of Banks and Banking does have authority to charge "financial institutions" under its supervision with expenses necessarily incurred in the examination of such "financial institutions." 9 M.R.S.A. § 2. However, the term "financial institution" is defined in 9 M.R.S.A. § 222 (4) as meaning "a trust company, savings bank, trust and banking company, institution for savings, loan and building association, savings and loan association or industrial bank organized under the laws of this State." The term does not embrace insurance premium finance licensees.

Martin L. Wilk
Assistant Attorney General

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NOT A FORMAL OPINION