

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**This document is from the files of the Office of
the Maine Attorney General as transferred to
the Maine State Law and Legislative Reference
Library on January 19, 2022**

June 18, 1974

H. W. McKowen, Executive Secretary

Maine Insurance Advisory Board

Charles R. Larouche, Assistant

Attorney General

Acceptability of State Fire Insurance Bid By a Non-Admitted Insurer

This replies to your memorandum request of June 17, 1974, concerning the subject.

I understand that the Maine Insurance Advisory Board has received 17 bids for fire insurance on state-owned property and that the low bidder involves three insurance companies, two of whom are insurance companies not authorized to do insurance business in this State; the 16 other bids are in behalf of authorized insurance companies. You state that 24-A M.R.S.A. § 2004 seems to indicate that non-admitted companies can be used for insurance coverage in this State only when such coverage is not available through authorized insurance companies.

I understand your question to be whether or not the Board can award the bid to the low bidder in view of the fact that this low bid is on behalf of two unauthorized insurance companies, and in view of the fact that such insurance coverage is available from authorized insurance companies. The answer to that question is negative.

24-A M.R.S.A. § 2004 provides:

"If certain insurance coverages cannot be procured from authorized insurers, such coverages, hereinafter designated 'surplus lines,' may be procured from unauthorized insurers, subject to the following conditions."

This section precludes by clear implication the procuring of insurance coverage from an unauthorized insurer when such coverage is available from an authorized insurer.

CHARLES R. LAROCHE
Assistant Attorney General

CRL:mfe

AN INFORMAL OPINION