

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 880

H. P. 624

House of Representatives, January 31, 1963

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Dennett of Kittery.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT Establishing an Insurance Adviser's License.

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

R. S., c. 60, § 273-B, sub-§ XI, additional. Section 273-B of chapter 60 of the Revised Statutes, as enacted by section 13 of chapter 346 of the public laws of 1959, is amended by adding a new subsection XI, to read as follows:

'XI. Insurance adviser's license.

A. Insurance adviser defined. Whoever, not being an officer or a regular salaried employee of any company and acting for such company, or not being duly licensed as an insurance broker or not being duly licensed as an insurance agent and acting for any company of which he is such an agent, or not being a duly authorized attorney-at-law or a certified public accountant acting within the course or scope of his proession or business, for a fee received or to be received, offers to examine, or examines or aids in examining any policy of insurance or any annuity or pure endowment contract for the purpose of giving, or gives or offers to give, any advice, counsel, recommendation or information in respect to the terms, conditions, benefits, coverage or premium of any such policy or contract, or in respect to the expediency or advisability of altering, changing, exchanging, converting, replacing, surrendering, continuing, renewing or rejecting any such policy or contract, or of accepting or procuring any such policy or contract from any company, or whoever, in or on advertisements, cards, signs, circulars or letterheads, or elsewhere, or in any other way or manner by which public announcements are made, uses the title "insurance adviser", "insurance specialist", "insurance counselor", "insurance analyst", "policyholders' adviser", "policyholders' counselor", or any other similar title, or any title,

word or combination of words indicating that he gives, or is engaged in the business of giving, advice, counsel, recommendation or information to holders of policies of insurance or annuity or pure endowment contracts, shall be deemed an insurance adviser.

B. License to act as insurance adviser. The commissioner may, upon payment of the fee of \$100, issue to any suitable person of full age a license to act as an insurance adviser. The applicant for the license shall file with the commissioner a written application. This application shall be executed on oath by the applicant, and kept on file by the commissioner. Said applicant shall satisfactorily pass all written and oral examinations now being given to the applicants for the various types of agent's licenses by the Insurance Department, and shall pay the prescribed fees for each examination. If the commissioner is satisfied that the applicant is trustworthy and competent by reason of education and experience in all lines he shall issue the license, which shall expire in one year from its date, unless sooner revoked or suspended as provided. The license may, in the discretion of the commissioner and upon the payment of the fee prescribed, be renewed for any succeeding year without requiring anew the detailed information specified in the written application. As insurance policy terms, conditions, benefits, coverage, premiums and contracts change from time to time the commissioner may require any person already licensed as an insurance adviser to again satisfactorily pass all examinations given to the various agents' license applicants. The commissioner may at any time, for cause shown after a hearing, due notice whereof has been given, revoke the license or suspend it for a period not exceeding the unexpired term thereof, and may, for cause shown and after hearing, due notice whereof has been given, revoke the license while so suspended, and shall notify the licensee in writing of such revocation or suspension, and may publish a notice of such revocation or suspension in such manner as he may deem necessary for the protection of the public. Whoever acts as an insurance adviser without such license or during a period of suspension or revocation of his license, shall be punished by a fine of not less than \$50 nor more than \$500 by a legal action to be commenced by the commissioner against any such violator in the Superior Court for Kennebec County. The commissioner may at any time require such information as he deems necessary in respect to the business methods, policies and transactions of a licensee under this section. Whoever fails or refuses to furnish the commissioner any such information within 10 days after receiving a written request therefor, and in such form as he may require, shall be punished by a fine of not less than \$50 nor more than \$500 to be recovered by the commissioner in the manner prescribed.

C. Contract with insurance adviser. All contracts or agreements of the type referred to in paragraph A with an insurance adviser shall be reduced to writing by such insurance adviser and executed personally in duplicate by the person to be charged or by his legal representative, and each party to any such agreement shall receive a copy thereof. It shall plainly state the amount of the fee and the services to be rendered by such insurance adviser and shall be in a form prescribed and approved by the Insurance Commissioner.

D. Statement of adviser. An insurance adviser who furnishes any advice or counsel as such adviser, makes any recommendation or gives any information except under the terms of a previously executed written agreement conforming to paragraph C and in full force and effect shall thereupon, in every case, give to the recipient thereof a statement in writing, signed by him, in a form currently approved by the commissioner, specifying the advice, counsel, recommendation or information given, and a receipt, in a form currently approved by the commissioner, for the fee paid to him or to be received by him. Whoever violates paragraphs C or D shall be punished by a fine of not less than \$50 nor more than \$500 to be recovered as prescribed in paragraph B.

F. Use of fees and fines. The fees and fines collected under this subsection shall be used solely to defray administrative expense incurred in connection with the examination, investigation and licensing of insurance advisers.'