

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FOURTH LEGISLATURE

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Legislative Document

No. 1145

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H. P. 886

House of Representatives, March 4, 1969

Referred to Committee on Business Legislation. Sent up for concurrence and 1,000 ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Scott of Presque Isle.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-NINE

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AN ACT Relating to Unfair and Coercive Insurance Requirements.

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

R. S., T. 24, §§ 2906-C - 2906-E, additional. Title 24 of the Revised Statutes is amended by adding 3 new sections, 2906-C to 2906-E, to read as follows:

§ 2906-C. Unfair and coercive insurance requirements

No officer or employee of this State, or of any public agency, or of any public authority, and no person acting or purporting to act on behalf of such officer, employee or public agency or authority, except a public agency or authority created pursuant to agreement or compact with another state, shall, with respect to any public building or construction contract which is about to be or which has been competitively bid, require the bidder to make application to, or furnish financial data to, or to obtain or procure any surety bond or contract of insurance specified in connection with such contract, or specified by any law, ordinance or regulation, from a particular surety or insurance company, agent or broker. No such officer or employee, or person, firm or corporation acting or purporting to act on behalf of such officer or employee, shall negotiate, make application for, obtain or procure any such surety bond or contract of insurance, except contracts of insurance for builder's risk or owner's protective liability, which can be obtained or procured by the bidder, contractor, or subcontractor.

This section shall not apply to any project under design or construction on the effective date of this Act, by or on behalf of a public agency or authority if such agency or authority was then engaged in insurance activity with respect to such project that otherwise would be prohibited by this section.

**§ 2906-D. Exceptions**

This section shall not present the exercise by such officer or employee on behalf of the State or such public agency or public authority of the right to approve the form, sufficiency or manner of execution of the surety bonds or contracts of insurance furnished by the surety or insurance company selected by the bidder to underwrite said bonds or contracts of insurance.

**§ 2906-E. Application**

All provisions in any invitation for bids, or in any of the contract documents, in conflict with sections 2906-C and 2906-D are declared to be contrary to the public policy of this State.