

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 1599

H. P. 1139

House of Representatives, March 17, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Scott of Wilton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT Amending the Maine Insurance Code Relating to
Fees and Licensing.

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

Sec. 1. R. S., T. 24-A, § 601, sub-§§ 4-A - 4-B, additional. Section 601 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended by adding 2 new subsections 4-A and 4-B to read as follows:

4-A. Organization license (section 1517)	5.00
4-B. Annual continuation	5.00

Sec. 2. R. S., T. 24-A, § 601, sub-§ 5, ¶ A, repealed. Paragraph A of subsection 5 of section 601 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed as follows:

A. Application for original resident agent license and issuance, if issued	5.00
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Sec. 3. R. S., T. 24-A, § 1517, sub-§ 1, amended. Subsection 1 of section 1517 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

1. A firm or corporation shall be licensed only as an agent or broker or adjuster in the corporate or firm name. Each general partner of a firm, and each other individual to act for the firm or corporation under the license shall be named in or registered listed with the commissioner as to the license and shall qualify as though an individual licensee. Such an individual shall exercise the license powers only for and in the name of the organization, but

~~this shall not prevent such individual from at the same time being separately licensed and acting in his own behalf and name. A full additional license fee shall be paid as to each respective individual in excess of one named in or registered as and as to the organization license so licensed by the commissioner.~~

Sec. 4. R. S., T. 24-A, § 1517, sub-§ 5, amended. Subsection 5 of section 1517 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

5. The licensed organization licensee shall promptly notify the commissioner of every license change among its members, directors and officers, and of other individuals ~~designated in or registered as to the license.~~

Sec. 5. R. S., T. 24-A, § 1518, sub-§ 5, repealed. Subsection 5 of section 1518 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed.

Sec. 6. R. S., T. 24-A, § 1519, sub-§ 2, amended. The first sentence of subsection 2 of section 1519 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

As to applicants not theretofore licensed under this Title or licensed as insurance agent, broker or adjuster in this State under laws heretofore in force, the commissioner shall secure, as soon as is reasonably possible after filing of the application, a credit and investigation report relative to the applicant from a recognized and established independent investigation and reporting agency; except, that in lieu of obtaining a special such report, the commissioner may, in his discretion, accept **with the application** a similar report furnished by or on behalf of an insurer which proposes to appoint the applicant as its agent.

Sec. 7. R. S., T. 24-A, § 1520, sub-§ 2, amended. Subsection 2 of section 1520 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

2. If the applicant is an organization, the examination shall be so taken by each individual who is **listed with the commissioner** ~~to be named in or registered as to the license,~~ as provided in section 1517.

Sec. 8. R. S., T. 24-A, § 1521, sub-§ 3, amended. Subsection 3 of section 1521 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

3. Applicants for limited license under section 1531, **subsection 1, paragraph B,** who ~~represent public carriers and in the course of such representation~~ solicit or sell insurance incidental to the transportation of persons or to the storage or transportation of property, and as to insurance so transacted.

Sec. 9. R. S., T. 24-A, § 1528, repealed and replaced. Section 1528 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed and the following enacted in place thereof:

§ 1528. License categories

The commissioner shall issue under this chapter the following categories of license only:

1. **Agent license:**

- A. Resident agent, general lines (individual only);
- B. Nonresident agent, general lines (individual only);
- C. Life agent initial license (individual only);
- D. Life agent permanent license (individual only);
- E. Nonresident Life Agent permanent license (individual only);
- F. Resident agent, health lines (individual only);
- G. Nonresident agent, health lines (individual only);
- H. Except as provided in section 1531, an agent license must cover insurance as defined in sections 1503, 1504 and 1505 or any combinations thereof.

2. **Broker license:**

- A. Resident broker, general lines, (individual only);
- B. Resident life broker (individual only);
- C. Nonresident broker, general lines (individual only);
- D. Nonresident life broker (individual only);
- E. A broker license must cover insurance as defined in section 1506.

3. **Consultant license:**

- A. Consultant, individual only;
- B. A consultant license must cover either or both of the following categories, as selected by the licensee:
 - (1) General lines, that is, property, casualty and surety insurance;
 - (2) Life insurance, annuities, and health insurance.

4. **Adjuster license:**

- A. Individual only.

5. **Organization license (section 1517).**

Sec. 10. R. S., T. 24-A, § 1529, amended. Section 1529 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

§ 1529. License contents; number of licenses required

1. The license shall state the name and address of the licensee and insurer, date of issue, general conditions relative to expiration or termination, the kind or kinds of insurance covered by the license, if applicable, and such other conditions as the commissioner deems proper for inclusion in the license certificate. No license shall be issued in a trade name ~~unless the name has been duly registered or filed as required by law.~~

~~2. The license of an agent shall not specify the name of any particular insurer by which the licensee is appointed as agent, except as provided in subsection 4, as to limited licenses; and the licensee may, subject to section 1530 as to life or health agents, represent as such agent under the one license as many insurers as may appoint him therefor, with respect to the kind or kinds of insurance covered by the license, in accordance with this chapter~~

3. A license issued to an organization shall list the location of each place of business of the organization.

~~4. Each limited license issued pursuant to section 1531 shall show also the name of the insurer so represented, and a separate license shall be required as to each such insurer~~

Sec. 11. R. S., T. 24-A, § 1531, amended. Section 1531 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

§ 1531. Limited licenses

1. The commissioner may issue to an applicant qualified therefor under this chapter a limited agent's license as follows:

- A. Covering motor vehicle insurance only; or
- B. **Travel, accident and baggage insurance,** ~~To persons representing public carriers~~ as provided in subsection 3 of section 1521; or
- C. Covering only credit life and credit health insurance; or
- D. **Covering only title insurance.**

2. No person so licensed shall concurrently hold license as an agent or broker as to any other or additional kind of insurance.

3. The fee for limited licenses is as specified in section 601 (fee schedule).

Sec. 12. R. S., T. 24-A, § 1532, sub-§§ 1 - 2, amended. Subsections 1 and 2 of section 1532 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, are amended to read as follows:

1. Each broker (resident or nonresident), consultant, ~~and adjuster and organization adjuster~~ license issued under this Title shall continue in force until expired, suspended, revoked or otherwise terminated, but subject to payment to the commissioner at his office in Augusta annually on or before December 31 of the applicable continuation fee as stated in section 601 (fee schedule), accompanied by written request of the licensee for such continuation. Any such license not so continued on or before December 31 shall be

deemed to have expired as at midnight on such December 31; ~~except that the commissioner may effectuate a request for continuation received by him within 30 days after such December 31 if accompanied by an annual continuation fee of 150% of the continuation fee otherwise required~~

2. An initial license as life agent shall be for a term of one year and shall not be subject to renewal, continuance or reissuance. **An initial life license may not be issued for a second insurer.**

Sec. 13. R. S., T. 24-A § 1532, sub-§ 3, repealed. Subsection 3 of section 1532 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed.

Sec. 14. R. S., T. 24-A, § 1533, sub-§ 1, amended. The first sentence of subsection 1 of section 1533 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

Each insurer appointing an agent in this State shall file with the commissioner the appointment in writing, specifying the kinds of insurance or annuity business to be transacted by the agent for the insurer, and pay the appointment fee ~~or license fee in the case of limited licenses~~ at the rate specified in section 601 (fee schedule).

Sec. 15. R. S., T. 24-A, § 1533, sub-§ 2, repealed. Subsection 2 of section 1533 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed.

Sec. 16. R. S., T. 24-A, § 1534, amended. Section 1534 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

§ 1534. Annual continuation of appointment

1. In order to spread ~~the renewal of limited licenses and~~ continuation of agent appointments with reasonable uniformity throughout the calendar year, the commissioner shall fix a date, "insurer's anniversary", upon which all such ~~licenses and~~ appointments shall be subject to ~~renewal or~~ continuation as to a particular insurer and shall give the insurer at least 90 days advance written notice of such date.

2. Annually on or before the insurer's anniversary the insurer shall file with the commissioner an alphabetical list of the names and addresses of all its agents in this State whose appointments, ~~or licenses in the case of limited licenses~~ are to remain in effect as to the kinds of insurance or annuity business for which the respective agents are so appointed ~~or licensed~~, accompanied by payment of the annual continuation of appointment fee, ~~or license fee in the case of limited licenses~~ as specified in section 601 (fee schedule). At the same time, the insurer shall also file with the commissioner an alphabetical list of the names and addresses of all its agents whose appointments ~~or limited licenses~~ in this State are not to remain in effect, ~~or whose appointment as to certain kinds of insurance or annuity business are not to remain~~

~~in effect and as designated in such list.~~ Any appointment ~~or limited license~~ not so continued and not otherwise expressly terminated shall be deemed to have expired at midnight on the insurer's anniversary.

Sec. 17. R. S., T. 24-A, § 1536, sub-§ 3, repealed. Subsection 3 of section 1536 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed.

Sec. 18. R. S., T. 24-A, § 1611, sub-§ 2, amended. Subsection 2 of section 1611 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

2. The agent may grant a power of attorney to an ~~individual who is 21~~ ~~years or more of age~~ ~~adult as defined by statute~~ to sign and countersign policies and endorsements in his name and behalf after first obtaining the commissioner's written consent and that of the proper official of the insurer involved.

STATEMENT OF FACT

The purpose of this bill is to amend the Insurance Code as it relates to fees and licensing so that the law may be better administered.