

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 2403

H. P. 1893

House of Representatives, January 22, 1974

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

E. LOUISE LINCOLN, Clerk

Presented by Mr. Trask of Milo.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FOUR

AN ACT Amending the Insurance Laws.

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

Sec. 1. R. S., T. 24-A, § 221, sub-§ 1, amended. Subsection 1 of section 221 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, and as amended by section 12 of chapter 585 of the public laws of 1973, is further amended by adding after the first sentence, the following new sentence:

The superintendent shall annually examine, for the purpose of valuing or causing to be valued, the reserves of life insurers transacting business in this State in accordance with chapter 11, subchapter III.

Sec. 2. R. S., T. 24-A, § 228, sub-§ 1, amended. Subsection 1 of section 228 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, and as amended by section 12 of chapter 585 of the public laws of 1973, is further amended by adding after the 2nd sentence, the following new sentence:

If the company is concurrently being examined by supervisory officials in other states or territories in which it is licensed or authorized to transact the business of insurance, any expenses associated with examiners representing such other jurisdictions shall be wholly borne by the person examined.

Sec. 3. R. S., T. 24-A, § 228, sub-§ 3, repealed. Subsection 3 of section 228 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, and as amended, is repealed.

Sec. 4. R. S., T. 24-A, § 601, sub-§ 5, repealed and replaced. 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601 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed and the following enacted in place thereof:

5. Agent's licenses and appointments.

A. Application for original resident agent license and issuance, if issued	\$10
B. Appointment of resident agent, each insurer	\$10
Biennial continuation of appointment	\$10
Each domestic mutual nonlife insurer	\$6
Each other insurer	\$10
C. Temporary license	\$5
D. Limited license (section 1531)	\$10
E. Nonresident agent license and issuance, if issued	\$20
Appointment of such agent, each insurer	\$20
Biennial continuation of appointment, each insurer	\$20

Sec. 5. R. S., T. 24-A, § 601, sub-§ 6, repealed and replaced. Subsection 6 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 and the following enacted in place thereof:

6. Broker licenses

A. Resident broker, application for original license and issuance, if issued	\$50
Biennial continuation	\$50
B. Nonresident broker, application for original license and issuance, if issued	\$100
Biennial continuation	\$100
C. Surplus lines broker, application for original license and issuance, if issued	\$50
Biennial continuation	\$50

Sec. 6. R. S., T. 24-A, § 601, sub-§ 7, repealed and replaced. Subsection 7 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, and as repealed and replaced by section 1 of chapter 435 of the public laws of 1971, is repealed and the following enacted in place thereof:

7. Consultant license

A. Resident consultant, application for original license and issuance, if issued	\$50
Biennial continuation	\$50

B. Nonresident consultant, application for original license and issuance, if issued	\$100
Biennial continuation	\$100

Sec. 7. R. S., T. 24-A, § 601, sub-§ 8, repealed and replaced. Subsection 8 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, as repealed and replaced by section 1 of chapter 435 of the public laws of 1971, and as amended, is repealed and the following enacted in place thereof:

8. Adjuster license

A. Resident adjuster, application for original license and issuance, if issued	\$10
Biennial continuation	\$10
B. Nonresident adjuster, application for original license and issuance, if issued	\$20
Biennial continuation	\$20

Sec. 8. R. S., T. 24-A, § 601, sub-§ 10, repealed and replaced. Subsection 10 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 and the following enacted in place thereof:

10. Insurance vending machines

Filing application for license and issuance, if issued, each machine	\$100
Biennial continuation of license, each machine	\$100

Sec. 9. R. S., T. 24-A, § 601, sub-§ 15, 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 a new subsection 15, to read as follows:

15. When the licensee's appointment precedes the sponsoring insurer's "biennial anniversary date" by a period of less than one year, the license shall be subject to biennial continuation upon the insurer's "anniversary date" and the fee for the broken term shall be one-half of that to be prepaid for the biennium for which license may be continued.

Sec. 10. R. S., T. 24-A, § 952, sub-§ 1, amended. The first sentence of subsection 1 of section 952 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, and as amended by section 12 of chapter 585 of the public laws of 1973, is further amended to read as follows:

The superintendent shall annually ~~value, or cause to be valued~~ examine for the purpose of valuing or causing to be valued, the reserve liabilities, hereinafter called reserves, for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer transacting business in this State, except that in the case of an alien insurer, such valuation shall be limited to its United States business; and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of inter-

est and methods, net level premium method or other, used in the calculation of such reserves.

Sec. 11. R. S., T. 24-A, § 1532, sub-§ 1, repealed and replaced. Subsection 1 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, and as amended, is repealed and the following enacted in place thereof:

1. Each broker (resident or nonresident), consultant and adjuster license issued under this Title shall continue in force until expired, suspended, revoked or otherwise terminated, but subject to payment to the superintendent at his office in Augusta biennially on or before December 31st 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 31st shall be deemed to have expired as of midnight on such December 31st.

Sec. 12. R. S., T. 24-A, § 1533, sub-§ 2, repealed and replaced. 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, and as repealed and replaced by section 12 of chapter 435 of the public laws of 1971, is repealed and the following enacted in place thereof:

2. Subject to biennial continuation by the insurer as provided in section 1534, each appointment shall remain in effect until the agent's license is revoked or otherwise terminated, unless the insurer earlier terminates the appointment as provided in section 1535.

Sec. 13. R. S., T. 24-A, § 1534, sub-§§ 1 and 2, repealed and replaced. Subsections 1 and 2 of section 1534 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, and as amended, are repealed and the following enacted in place thereof:

1. In order that agents' appointments may be continued in a reasonably uniform spread through the calendar year, the superintendent shall fix a date to be known as the "insurer's biennial anniversary." This "insurer's biennial anniversary" shall be that date recurring each 2 years from the date upon which the insurer's original certificate of authority was granted.

2. On or before the insurer's biennial anniversary, the insurer shall file with the superintendent an alphabetical list of the names and addresses of all its agents in this State whose appointments are to remain in effect as to the kinds of insurance or annuity business for which the respective agents are so appointed, accompanied by payment of the biennial continuation of appointment fee, as specified in section 601 (fee schedule). At the same time, the insurer shall also file with the superintendent an alphabetical list of the names and addresses of all its agents whose appointments in this State are not to remain in effect. Any appointment not so continued and not otherwise expressly terminated shall be deemed to have expired at midnight on the insurer's biennial anniversary.

Sec. 14. R. S., T. 24-A, § 1538, sub-§ 2, amended. The 3rd sentence of subsection 2 of section 1538 of Title 24-A of the Revised Statutes, as en-

acted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

The license shall be subject to ~~annual~~ biennial continuation, to expiration, suspension or revocation coincidentally with that of the agent.

Sec. 15. Effective date. To achieve a reasonably uniform monthly collection, the effective dates of this Act with respect to sections 5 through 15 will be as follows:

For those agents appointed by companies whose current anniversary date falls on or before July 1, 1975, a license fee representing $\frac{1}{2}$ of the biennial fee charge shall be paid and the term of license issued shall be for one year therefrom.

All other appointments made or continued subsequent to July 1, 1975 shall be for the biennial license term and the full biennial fee charge shall be paid in advance.

STATEMENT OF FACT

It is the intent of this Bill to implement Recommendations 1 and 3, Bureau of Insurance, Maine Management and Cost Survey Report.

The purpose of this bill is to provide for biennial licensing and to adjust fees to cover cost of examinations.

Governor Curtis supported this legislation in his Special Message of January 10, 1974.