

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 1864

H. P. 1547

House of Representatives, April 28, 1975

Reported by Majority from Committee on Business Legislation and printed under Joint Rules No. 18.

EDWIN H. PERT, Clerk

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT to Require Further Notice of Free Choice of Insurance.**

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

24-A MRSA § 2169 as last amended by PL 1973, c. 585, § 12, is further amended by adding after the first sentence the following new sentences:

When the property for which insurance is required in connection with a debt or loan is purchased primarily for a personal, family, household or agricultural purpose, each creditor or lender shall provide to each such debtor, borrower or purchaser, prior to the consummation or closing of the debt or loan contract, a list of agents and insurers which maintain offices within a 20-mile radius of the office of the creditor or lender at which the debt or loan contract is to be signed. If such 20-mile radius extends beyond the boundaries of the State, the list shall not include agents or insurers outside the State. It shall be the responsibility of each such agent or insurer to notify the appropriate office or branch of such creditor or lender of his name and address or of any change of name or address, for the purpose of compiling such list. No creditor or lender shall be liable for any error or omission by an agent or insurer in compiling such list. The Superintendent of Insurance may issue forms to be used for compiling such lists and for such lists.

STATEMENT OF FACT

The purpose of this bill is to strengthen the provisions requiring notice of free choice of agents or insurers to those purchasers of property who are required to insure their property. The bill would require lenders to provide to such purchasers a list of agents or insurers from which to make a choice. The burden would be upon the agents or insurers to have their names placed on the appropriate list. The purpose of the new draft is to clarify the language and procedures of the bill.