

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 499

H. P. 406

House of Representatives, February 16, 1977

On motion of Ms. Clark of Freeport, referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Boudreau of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Concerning the Definition of a General Lines Consultant and a Life Consultant under the Maine Insurance Code.

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

Sec. 1. 24-A MRSA § 1508, sub-§ 1, first sentence, as enacted by PL 1969, c. 132, § 1, is amended to read:

A “**general lines consultant**” is any individual who as an independent contractor in relation to his client for fee or compensation other than from the insurer and a “**life consultant**” is any individual who as an independent contractor in relation to his client for fee or compensation other than from the insurer or commission from the insurer in any manner advises, or offers or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under any insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights or interests under such contract, or relative to the retention, exchange, surrender, exercise of rights or other disposition of such a contract or of rights thereunder.

Sec. 2. 24-A MRSA § 1806, as enacted by PL 1969, c. 132, § 1, is amended to read:

§ 1806. Combined licensing prohibited

A licensed **general lines** consultant shall not at the same time be licensed as an agent or broker and shall not have a pecuniary interest in any insurance agency or broker.

A licensed **life consultant** may at the same time be licensed as an agent or broker and may have a pecuniary interest in any insurance agency or broker.

Sec. 3. 24-A MRSA § 1807, sub-§§ 1 and 2, as enacted by PL 1969, c. 132, § 1, are amended to read:

1. A **general lines** consultant shall not, directly or indirectly, receive or share in any commission or compensation paid, directly or indirectly, by any insurer with respect to any insurance or annuity contract procured, renewed, continued, modified, terminated or otherwise disposed of pursuant to any recommendation given or transaction engaged in by the licensee under his license.

2. If the licensee has received or is to receive any fee, commission or compensation from the insured or proposed insured, or from any other person other than the insurer, directly or indirectly, with respect to any insurance transaction or proposed insurance transaction, or with respect to any insurance or annuity contract existing or proposed, it shall conclusively be presumed that the licensee was acting as a **general lines** consultant with respect to such transaction or contract.

Sec. 4. 24-A MRSA § 1807-A is enacted to read:

§ 1807-A. Consulting fee

A life consultant may charge a consulting fee and receive commissions for the sale of insurance as an agent or broker if both the consulting fee and the insurance commissions are provided for in a written agreement signed by the client and the life consultant. A life consultant shall offset his fees against first-year commissions received as agent or broker on the sale of insurance. Such offset shall apply only to those commissions received as a result of services performed under the agreement.

STATEMENT OF FACT

This bill is intended to permit a person who is qualified by experience and has successfully completed a comprehensive examination to be a consultant as to life and health insurance.

A qualified consultant will be able to receive compensation from a fee or a commission, or both. A written agreement as to the amount of the fee and the service to be performed shall be signed by the client and consultant. Any commission received as a result of the agreed-upon services will offset, reduce or eliminate any fee.