## MAINE STATE LEGISLATURE

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1 2 3 4	(EMERGENCY) (After Deadline) FIRST REGULAR SESSION
5 6	ONE HUNDRED AND TWELFTH LEGISLATURE
7 <b>8</b>	Legislative Document No. 1537
9 10 11	H.P. 1057 House of Representatives, May 17, 1985 Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27. Reference to the Committee on Business and Commerce suggested and ordered printed.
12	ordered printed.  EDWIN H. PERT, Clerk
13	Presented by Representative Brannigan of Portland.
14 15	STATE OF MAINE
16 17 18	IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-FIVE
19 <b>20</b> 21	AN ACT to Limit the Grounds for Termination of an Insurance Agency Appointment.
22 23 24	Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
25 26 27 28 29	Whereas, it appears that some insurance companies doing business in this State are considering cancelling appointments of certain of their agents because they provide only a limited amount of insurance policy sales; and
30 31 32 33 34	Whereas, these cancellations, if actually implemented, will significantly impair competition among insurance companies in this State and will seriously limit the selection of policies available to the general public; and

Whereas, any reduction in competition in the in- surance industry is not in the best interest of the State and the general public; and
Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,
10 Be it enacted by the People of the State of Maine as 11 follows:
12 24-A MRSA §1535, sub-§3 is enacted to read:
3. Notwithstanding any other provision, an in- surer may not terminate an agency appointment because the agent has failed to transact a minimum amount of insurance or annuity business for that insurer during a specified period, unless that minimum is expressly stated as a condition of the agent's contract.
Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.
22 STATEMENT OF FACT
The purpose of this bill is to prevent termina- tion of insurance agency agreements for failure to sell a minimum amount of insurance, when the agree- ment does not require any minimum.
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