

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1733

6
7 H.P. 1226

House of Representatives, December 26, 1985

8 Submitted by the Department of Business, Occupational and Professional
Regulation pursuant to Joint Rule 24.

9 Received by the Clerk of the House on December 26, 1985. Referred to
the Committee on Business and Commerce and 1,600 ordered printed
10 pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk

Presented by Representative Murray of Bangor.

11 Cosponsored by Senator Bustin of Kennebec, Representative Stevens of
Bangor and Representative Armstrong of Wilton.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-SIX
16

17 AN ACT Relating to the Surplus Lines
18 Insurance Law.
19

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

22 Sec. 1. 24-A MRSA §1605, sub-§3 is enacted to
23 read:

24 3. No licensed resident or nonresident agent may
25 place or seek to place insurance coverage, other than
26 in an authorized insurer, except as provided in chap-
27 ter 19. An agent placing or seeking the placement of
28 insurance coverage, other than with an insurer for
29 which he holds an appointment or other than in ac-
30 cordance with chapter 19, shall be responsible for
31 determining that coverage is placed with an autho-
32 riized insurer regardless of whether any other party
33 has or will actually procure the coverage.

34 Sec. 2. 24-A MRSA §1607, sub-§1, as enacted by
35 PL 1969, c. 132, §1, is amended to read:

1 1. A person licensed as a resident or nonresi-
2 dent broker may negotiate ~~with any authorized insurer~~
3 insurance contracts within the scope of his license
4 and ~~covering~~ relating to risks resident, located or
5 to be performed in this State, with any authorized
6 insurer, subject, as to a nonresident broker, to sec-
7 tion 1618 (must place business through resident
8 agent). A broker may seek the placement of coverage
9 with other than an authorized insurer only through a
10 licensed surplus lines broker as provided for in
11 chapter 19. A broker placing or seeking the place-
12 ment of coverage, other than in accordance with chap-
13 ter 19, shall be responsible for determining that
14 coverage is placed with an authorized carrier regard-
15 less of whether any other party has or will actually
16 place the coverage.

17 Sec. 3. 24-A MRSA §2013, sub-§1, as amended by
18 PL 1977, c. 694, §411, is further amended to read:

19 1. The superintendent may file a complaint with
20 the Administrative Court seeking suspension or revo-
21 cation of any surplus lines broker's license:

22 A. If the broker fails to file the annual state-
23 ment or to remit the tax as required by section
24 2017; ~~or~~

25 B. If the broker fails to maintain an office in
26 this State, or to keep the records, or to allow
27 the superintendent to examine his records as re-
28 quired by this law, or if he removes his records
29 from the State; ~~or~~

30 C. If the broker places a surplus lines coverage
31 in an insurer other than as authorized under sec-
32 tion 2007; ~~or~~

33 D. For any other applicable cause for which a
34 general lines agent's license may be suspended or
35 revoked; or

36 E. If the broker assists any person or persons
37 not licensed as surplus lines brokers by serving
38 as a reporting broker for purposes of section
39 2005, 2015, 2016 or 2017 with respect to insur-
40 ance coverage not procured by the broker.

