

MAINE STATE LEGISLATURE

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R. of S.

L.D. 880

(Filing No. S-57)

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STATE OF MAINE
SENATE
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 324, L.D. 880, Bill, "An Act to Provide for Notice of Termination of an Insurance Agency Appointment"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 24-A MRSA §1535, sub-§1, as amended by PL 1973, c. 585, §12, is repealed and the following enacted in its place:

1. Subject to the general lines agent's contract obligations and rights, if any, an insurer or agent may terminate an agency appointment at any time. If the appointment is by written agreement and the insurer intends to terminate the written agreement with the agent or modify the agreement to delete that agent's authority to represent the insurer for any line of business, the insurer shall provide 90 days advance written notice of the termination or modification to the agent. A notice is not required when:

A. The agent is subject to suspension or revocation of license under section 1539;

B. The agency fails to pay money due the company;

C. There is a sale or a merging of the agency;

D. There is an insolvency or bankruptcy of the agency;

E. The agent holds a limited license under section 1531, subsection 1; or

F. The agent is an employee of an insurer or the agent by contractual agreement represents only one insurer or group

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COMMITTEE AMENDMENT "A" to S.P. 324, L.D. 880

2 of affiliated insurers, if the property rights in the
3 renewal are owned by the insurer or group of affiliated
4 insurers. Cancellation or termination of the agent's
5 contract under this paragraph may not result in the
6 cancellation or nonrenewal of the policies.

7 The list of appointments not being continued under section 1534
8 constitutes notice to the superintendent of the terminations
9 listed. The superintendent may require of the insurer reasonable
10 proof that the insurer has given notice to the agent.

11 **Sec. 2. 24-A MRSA §1535, sub-§3 is enacted to read:**

12 3. The termination of an agent appointment under this
13 section does not affect the rights of insureds pursuant to
14 chapters 39 and 41.'

15 **STATEMENT OF FACT**

16 This amendment limits the application of the bill to general
17 lines agents. Section 2 of the amendment clarifies that the
18 provisions of section 1 do not impair the rights of insureds
19 under the Maine Revised Statutes, Title 24-A, chapters 39 and 41.
20

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22 Reported by Senator Kany for the Committee on Banking and
23 Insurance. Reproduced and Distributed Pursuant to Senate
24 Rule 12.
(4/11/91) (Filing No. S-57)