

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1473, L.D. 2085, Bill, "An Act to Amend the Laws Governing Placement of Insurance in the Surplus Lines Market"

Amend the bill by striking out all of sections 1 and 2 and inserting in their place the following:

Sec. 1. 24-A MRSA §§2016 and 2017, as amended by PL 1973, c. 85, §12, are repealed and the following enacted in their place:

§2016. Periodic reports and tax payments

1. Each broker shall file on or before the 15th day of each month a report with the superintendent showing the amount of insurance placed for any person or organization, the location of each risk, the gross premium charged, the name of each insurer with which the insurance was placed, the date and term of each insurance contract issued during the preceding month and any other pertinent information required by the superintendent. The report must show in the same detail each contract cancelled during the month covered by the report and the return premium on it.

Within 45 days of the end of each calendar quarter, the broker shall pay to the Treasurer of State 3% of the difference between the gross premiums and the return premiums reported for the business transacted during the preceding calendar quarter.

2. If a surplus lines policy covers risks or exposures only partially in this State the tax so payable must be computed upon the proportion of the premium that is properly allocable to the risks or exposures located in this State.

2 §2017. Annual report

4 1. Each broker shall file an annual report in January with
6 the superintendent and the Treasurer of State containing a sworn
8 statement of the gross premium charged for insurance placed and
the gross return premiums on the insurance cancelled during the
year ending on the 31st of the preceding December.'

10 Further amend the bill by inserting after the emergency
12 clause and before the statement of fact the following:

14 **FISCAL NOTE**

16 The Bureau of Insurance will incur some minor administrative
18 costs to process the remittance of the surplus lines insurance
20 tax on a quarterly basis rather than on the current annual
22 basis. These costs can be absorbed within existing budgeted
resources of the bureau. This quarterly tax remittance will
change the cash flow of tax receipts but will have no effect on
annual revenue projections.'

24 **STATEMENT OF FACT**

26 This amendment changes the payment of tax to quarterly
28 payments, restores the annual report that was repealed in the
bill and moves to a prior section the provision on risks or
exposures only partially in this State.

30 This amendment also adds a fiscal note to the bill.
32

Reported by the Committee on Banking and Insurance
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House
2/12/92 (Filing No. H-922)