

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 273, L.D. 837, Bill, "An Act to Change or Clarify Language in the Maine Insurance Code Relative to Procurement of Surplus Lines Insurance and Pertaining to Licensing Procedures in Order to Provide for a More Efficient Regulatory System"

Amend the bill by striking out all of section 11 and inserting in its place the following:

'Sec. 11. 24-A MRSA §1521, as amended by PL 1973, c. 625, §138, is further amended to read:

§1521. Exemption from examination requirement

Section 1520 shall ~~does~~ not apply and ~~no such an~~ examination shall ~~be~~ is not required of:

1. An applicant for license covering the same kind or kinds of insurance ~~as to~~ for which the applicant was licensed under a similar license in this State, other than a temporary license ~~or initial license as a life agent~~ issued pursuant to section 1536, within ~~2 years~~ one year next preceding the date of application for the license, provided that the licensee has met the applicable continuing education requirements during the period, unless ~~such~~ the previous license was ~~revoked,~~ suspended or continuation ~~thereof~~ of the license was refused by the superintendent, and if the superintendent ~~deems~~ considers the applicant to be fully qualified for the license. For the purposes of this subsection, an agent's license covering fire insurance and existing on January 1, 1970 ~~shall be deemed to be~~ is the equivalent of a license covering "property" insurance as defined in this Title;

2. An applicant for an agent's license who is currently licensed as a broker or as a consultant ~~as to~~ for the same kind or kinds of insurance, or has been so licensed within 12 months next preceding the date of application for the license, provided

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2 that the licensee has met the applicable continuing education
3 requirements during that period, unless such the previous license
4 was revoked or suspended or continuation thereof of the license
5 was refused by the superintendent;

6 3. Applicants for limited license under section 1531,
7 subsection 1, paragraph B, who solicit or sell insurance
8 incidental to the transportation of persons or to the storage or
9 transportation of property, and as to insurance so transacted, or

10
11 4. Applicants for license as title insurance agent, who are
12 attorneys at law duly licensed to practice law in this State.'

13 Further amend the bill in section 14 in that part designated
14 "§1532-A." by striking out all of subsection 7 and inserting in
15 its place the following:
16

17 '7. An Resident agent license,--ether--than--an--initial
18 license,--shall--continue--in--force and resident agent organization
19 licenses are valid until 12:01 a.m. on April October 1st of the
20 biennium--for--which--it--was--issued even-numbered years, unless
21 prior thereto it has been to that date the license was suspended,
22 revoked or otherwise terminated, while there is in effect as to
23 the license, as shown by the superintendent's records, an
24 appointment or appointments as agent of authorized insurers
25 covering collectively all the kinds of insurance included in the
26 agent's license. Nonresident agent and nonresident agent
27 organization licenses are valid until 12:01 a.m. on February 1st
28 of odd-numbered years unless before that date the license was
29 suspended, revoked or otherwise terminated, while there is in
30 effect as to the license, as shown by the superintendent's
31 records, an appointment or appointments of an agent or agents of
32 authorized insurers that collectively cover all the kinds of
33 insurance included in the agent's license. Upon termination of
34 all the licensee's agency appointments, as to a particular kind
35 of insurance, and failure to replace those appointments within 60
36 days thereafter, the license shall--thereupon--expire--and
37 terminates as to those kinds of insurance and the licensee shall
38 promptly deliver his the license to the superintendent for
39 reissuance, without fee or charge, as to these kinds of
40 insurance, if any, covered by the remaining agency appointments.
41 Upon termination of all the licensee's agent appointments, the
42 license shall--immediately--terminate terminates.'
43

44 Further amend the bill in section 14 in that part designated
45 "§1532-A" by striking out all of subsection 7-A (page 6, lines 20
46 to 24 in L.D.).
47

48 Further amend the bill by striking out all of section 15 and
49 inserting in its place the following:
50

2 The establishment of several new licensure categories will
3 result in an insignificant increase of dedicated revenues to the
4 Bureau of Insurance from license fees.'

6 **STATEMENT OF FACT**

8 This amendment allows former agents who wish to become
9 relicensed to do so without taking a test, provided the person
10 has complied with continuing education requirements, if
11 application is made within one year from the date of expiration
12 of the prior license. It leaves in the current law the provision
13 that allows an agent 60 days to replace appointments for a
14 particular kind of insurance if the licensee is licensed to sell
15 more than one kind of insurance. This amendment will delete the
16 section of the bill indicating that the superintendent may
17 presume that the insurer has given proper notice of appointment
18 termination pursuant to law. Finally, this bill will revise
19 section 15 of the bill to make it clear that reinsurance can be
20 ceded to surplus lines companies pursuant to other relevant
21 sections of the Maine Insurance Code.

22 This amendment adds a fiscal note.

Reported by Senator McCormick for the Committee on Banking
and Insurance. Reproduced and Distributed Pursuant
to Senate Rule 12.
(4/28/93) (Filing No. S-93)