

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

Reported by: *Majority*

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 535, L.D. 1640, Bill, "An Act to Streamline Licensing and Reporting Requirements and Reduce Regulatory Burdens for Licensed Insurance Professionals and Insurers"

Amend the bill in section 3 in subsection 11 by striking out all of the last 2 sentences (page 2, lines 1 to 6 of L.D.) and inserting in their place the following: ~~'If annuities are sold pursuant to the authorization under this subsection through an arrangement with a licensed 3rd party agent, that 3rd party agent may not be licensed to sell general lines insurance or life and health insurance. As used in this subsection, the words "sell annuities" and "arrange for the sale of annuities" do not include the underwriting of these products.'~~

Further amend the bill in section 6 in subsection 10 in the last line (page 2, line 38 in L.D.) by striking out the following: "biannual" and inserting in its place the following: 'biennial'

Further amend the bill in section 18 in subsection 5 in paragraph F in the last line (page 5, line 24 in L.D.) by striking out the following: "and" and inserting in its place the following: 'and'

Further amend the bill in section 18 in subsection 5 in paragraph G in the last line (page 5, line 29 in L.D.) by striking out the following: "\$70." and inserting in its place the following: '\$70.; and'

Further amend the bill in section 18 in subsection 5 by inserting at the end the following:

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2	<u>'H. Issuance fee for resident independent producer authority</u>	<u>\$70;</u>
4	<u>Biennial continuation</u>	<u>\$70;</u>
6	<u>Issuance fee for nonresident, independent producer authority</u>	<u>\$150;</u>
8	<u>Biennial continuation</u>	<u>\$150.'</u>

10 Further amend the bill in section 23 in that part designated
12 "~~\$1401.~~" in the last line (page 6, line 24 in L.D.) by striking
14 out the following: "on January" and inserting in its place the
following: 'July'

16 Further amend the bill in section 23 in that part designated
18 "~~\$1402.~~" in subsection 1 in paragraph B in the first line (page
6, line 42 in L.D.) by striking out the following: "Salaried
employees" and inserting in its place the following: 'Employees'

20 Further amend the bill in section 23 in that part designated
22 "~~\$1402.~~" in subsection 4 by striking out all of paragraphs B and
C and inserting in their place the following:

24 'B. "Consultant" includes a person who collects a fee from
26 the insured or potential insured for advice on financial
28 planning and as part of that planning sells or plans to sell
insurance policies under an insurance producer license on
which the producer will collect commissions.

30 C. "Consultant" includes a person who collects a fee from
32 the insured or potential insured for advice on estate
34 planning or for the sale of a trust package and as part of
36 the estate planning sells or plans to sell insurance
policies under an insurance producer license on which the
producer will collect commissions.'

38 Further amend the bill in section 23 in that part designated
40 "~~\$1402.~~" in subsection 4 in paragraph D in subparagraph (4) in
the last 2 lines (page 8, lines 15 and 16 in L.D.) by striking
42 out the following: "is not engaging in activities other than
insurance producer activities." and inserting in its place the
44 following: 'receives a fee for the insurance transaction and not
for other services provided; or'

46 Further amend the bill in section 23 in that part designated
48 "~~\$1402.~~" in subsection 4 in paragraph D by adding at the end the
following:

2 '(5) A financial institution or a financial
3 institution holding company if the insurance advice is
4 given as part of its trust department rendering
5 insurance advice in a fiduciary capacity.'

6 Further amend the bill in section 23 in that part designated
7 "§1402." in subsection 5 in the 3rd line (page 8, line 20 in
8 L.D.) by striking out the following: "or other fees" and in the
9 4th and 5th lines (page 8, lines 21 to 22 in L.D.) by striking
10 out the following: "a salaried employee of an employer or labor
11 union" and inserting in its place the following: 'a person'

12 Further amend the bill in section 23 in that part designated
13 "§1402." in subsection 5 in the last 4 lines (page 8, lines 29 to
14 32 in L.D.) by striking out the following: "or a person employed
15 by a group policyholder of a credit life or credit life and
16 health insurance policy, so long as that person does not receive
17 a commission or other compensation for enrolling participants in
18 the group policy" and inserting in its place the following: 'or a
19 person whose activities relate to enrolling participants in a
20 credit life and health insurance policy to the extent authorized
21 under chapter 37, a group life insurance policy to the extent
22 authorized under chapter 31, a group health insurance policy to
23 the extent authorized under chapter 35 or a group credit
24 involuntary unemployment insurance policy'

25 Further amend the bill in section 23 in that part designated
26 "§1402." in subsection 6 in the 7th line (page 8, line 46 in
27 L.D.) by inserting after the following: "contracts" the
28 following: 'if the contracts are issued or backed by an insurer'

29 Further amend the bill in section 23 in that part designated
30 "§1402." in subsection 9 by striking out all of the last line
31 (page 9, line 33 in L.D.)

32 Further amend the bill in section 23 in that part designated
33 "§1402." by inserting at the end the following:

34 '13. Service representative. "Service representative"
35 means either of the following:

36 A. An individual regularly employed on salary by a property
37 and casualty insurer, group of insurers or managing general
38 agent to work in the field with licensed producers in
39 soliciting, negotiating and effectuating insurance in the
40 property and casualty insurer, group of insurers or insurers
41 represented by the managing general agent; or

42 B. An officer and salaried nonresident traveling
43 representative of property and casualty insurers not in

2 general using resident producers for the solicitation of
3 business, who inspects risks or solicits insurance in this
4 State and receives no commissions for those activities.'

6 Further amend the bill in section 23 in that part designated
7 "§1411." in subsection 2 in the 5th line (page 10, line 37 in
8 L.D.) by inserting after the following: "act" the following: 'as'

10 Further amend the bill in section 23 in that part designated
11 "§1411." in subsection 3 in the 3rd line (page 10, line 42 in
12 L.D.) by inserting after the following: "opinion or" the
13 following: 'similar'

14 Further amend the bill in section 23 in that part designated
15 "§1413." in subsection 3 by inserting at the end the following:
16 'If another officer, member or partner is not licensed as an
17 insurance producer at the time the designated responsible person
18 leaves the agency, the agency may designate another licensed
19 person to be the responsible person for a period of 90 days or
20 until another officer, member or partner becomes licensed,
21 whichever is less. The superintendent may extend this time
22 period for good cause.'

24 Further amend the bill in section 23 in that part designated
25 "§1413." by striking out all of subsection 4 and inserting in its
26 place the following:

28 '4. Authority. Whenever an agency changes the individuals
29 designated to act in the name of the agency, the agency shall
30 notify the superintendent within 30 days of those changes.'

32 Further amend the bill in section 23 in that part designated
33 "§1413." in subsection 7 in the last line (page 13, line 32 in
34 L.D.) by striking out the following: "on July 1, 1997" and
35 inserting in its place the following: 'January 1, 1998'

38 Further amend the bill in section 23 in that part designated
39 "§1415." in subsection 1 in paragraph B in the first line (page
40 14, line 2 in L.D.) by striking out the following: "or"

42 Further amend the bill in section 23 in that part designated
43 "§1415." in subsection 1 in paragraph C in the first line (page
44 14, line 4 in L.D.) by striking out the following: "contract."
45 and inserting in its place the following: 'contract; or'

46 Further amend the bill in section 23 in that part designated
47 "§1415." in subsection 1 by inserting at the end the following:

48 'D. Independent producer.'
50

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2 Further amend the bill in section 23 in that part designated
3 "~~§1423.~~" in subsection 3 in the 2nd line (page 18, line 2 in
4 L.D.) by striking out the following: "life and health or" and
5 inserting in its place the following: 'full life and health or
6 full'

8 Further amend the bill in section 23 in that part designated
9 "~~§1427.~~" in subsection 1 in the first line (page 21, line 1 in
10 L.D.) by striking out the following: "1411" and inserting in its
11 place the following: '1423'

12 Further amend the bill in section 23 in that part designated
13 "~~§1432.~~" in subsection 1 in paragraph E in the first line (page
14 24, line 25 in L.D.) by striking out the following: "or"

16 Further amend the bill in section 23 in that part designated
17 "~~§1432.~~" in subsection 1 in paragraph F in the last line (page
18 24, line 33 in L.D.) by striking out the following: "paragraph."
19 and inserting in its place the following: 'paragraph;'

20 Further amend the bill in section 23 in that part designated
21 "~~§1432.~~" in subsection 1 by inserting at the end the following:

24 'G. The producer has died or been adjudicated as
25 incompetent if the producer is a natural person;

26 'H. The agency or producer has dissolved if the agency or
27 producer is a corporation;

30 'I. A date mutually agreed upon by an insurer and the agency
31 or producer has been reached;

32 'J. An insurer and agency or producer have mutually agreed
33 upon other terms; or

34 'K. All insurers' licenses or appointments terminate or
35 expire.'

38 Further amend the bill in section 23 in that part designated
39 "~~§1442.~~" in subsection 1 in paragraph C in the first line (page
40 25, line 32 in L.D.) by striking out the following: "Place" and
41 inserting in its place the following: 'Not place'

44 Further amend the bill in section 23 in that part designated
45 "~~§1442.~~" in subsection 1 in paragraph C in the 4th line (page 25,
46 line 35 in L.D.) by striking out the following: "a contract" and
47 inserting in its place the following: 'an appointment'

48 Further amend the bill in section 23 in that part designated
49 "~~§1442.~~" in subsection 1 in paragraph C in the 5th line (page 25,
50

line 36 in L.D.) by inserting after the following: "1450" the following: 'subsection 2'

Further amend the bill in section 23 in that part designated "§1443." in subsection 1 in paragraph C in the last 3 lines (page 27, lines 1 to 3 in L.D.) by striking out the following: "is not in any manner compensated, directly or indirectly, by the company issuing the contracts" and inserting in its place the following: 'does not receive any commissions directly dependent upon the amount of the business obtained'

Further amend the bill in section 23 in that part designated "§1443." in subsection 1 by striking out all of paragraph D and inserting in its place the following:

'D. A person whose activities relate to enrolling participants in a credit life and health insurance policy to the extent authorized under chapter 37, group life insurance policy to the extent authorized under chapter 31, group health insurance policy to the extent authorized under chapter 35 or a group credit involuntary unemployment insurance policy provided that person does not receive a commission directly dependent upon the amount of business obtained.'

Further amend the bill in section 23 in that part designated "§1443." in subsection 1 by inserting at the end the following:

'F. Any organization that is not required to be licensed as an insurance producer pursuant to section 1443-A;

G. Salaried employees of an authorized insurer or of life producers who do not engage in producer activity for life insurance; or

H. Service representatives.'

Further amend the bill in section 23 by inserting after that part designated "§1443." the following:

§1443-A. Licensing of financial institutions and related parties

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Affiliate" means any of the following entities:

2 (1) A subsidiary of a financial institution or credit
4 union authorized to do business in this State or of a
financial institution holding company;

6 (2) An employee, an officer other than a director, or
8 licensed 3rd-party producer of a financial institution
10 or credit union authorized to do business in this
12 State, a financial institution holding company or any
14 institution listed in subparagraph (1);

16 (3) A person or entity possessing 5% or more of the
18 ownership interests of a financial institution or
20 credit union authorized to do business in this State,
22 or of a financial institution holding company or of any
24 institution listed in subparagraph (1); or

26 (4) An insurer or insurance producer or consultant
28 utilizing space in the retail area of a financial
30 institution or credit union authorized to do business
32 in this State or of a financial institution holding
34 company or an institution listed in subparagraph (1) in
36 order to engage in the transaction of insurance when
38 payments for use of the space are made to the that
40 institution pursuant to a space-sharing agreement based
42 directly or indirectly upon a percentage of the volume
44 of business conducted by the insurer, insurance agent,
46 broker or consultant.

48 B. "Credit union authorized to do business in this State"
50 or "credit union" has the same meaning as defined in Title
9-B, section 131, subsection 12-A.

C. "Financial institution authorized to do business in this
State" or "financial institution" has the same meaning as
defined in Title 9-B, section 131, subsection 17-A.

D. "Financial institution holding company" has the same
meaning as defined in Title 9-B, section 1011 and includes a
mutual holding company as defined in Title 9-B, section 1052.

E. "Licensed 3rd-party producer" means a licensed insurance
producer or consultant who engages in authorized insurance
activities related to insurance products directly on behalf
of a specified licensed insurance entity through an
independent contractor relationship.

F. "Ownership interest" includes general partnership
shares, limited partnership shares and shares of stock that
possess any voting rights.

2 G. "Subsidiary" means any corporation, partnership,
association or other business entity in which either:

4 (1) One or more financial institutions or credit
unions authorized to do business in this State,
6 financial institution holding companies or any
officers, employees, agents or representatives of the
8 financial institutions or credit unions authorized to
do business in this State or financial institution
10 holding companies possess directly or indirectly,
singly or in the aggregate, an ownership interest of at
12 least 25%; or

14 (2) It is determined by the superintendent after
notice and opportunity for hearing that one or more
16 financial institutions or credit unions authorized to
do business in this State, financial institution
18 holding companies or any officers, employees, agents or
representatives of financial institutions or credit
20 unions authorized to do business in this State or
financial institution holding companies, singly or in
22 the aggregate, exercise a controlling influence over
the management and policies of the entity.

24 2. Licensing. A financial institution or credit union
26 authorized to do business in this State, financial institution
holding company or the subsidiary or affiliate of any of those
28 entities or an officer, employee, agent or representative of a
financial institution, credit union, financial institution
30 holding company or the subsidiary of any of those entities may be
licensed as an insurance producer or consultant in this State or
32 may act as an insurance producer or consultant in this State.
These organizations are not required to become licensed as
34 insurance producers or consultants with respect to: credit life
and credit health insurance to the extent authorized by chapter
36 37 when the insured is enrolled in the policy; group health
insurance to the extent authorized by chapter 35 when the insured
38 is enrolled in the policy; and group life insurance to the extent
authorized by chapter 31 when the insured is enrolled in the
40 policy; credit property insurance; credit involuntary
unemployment insurance; forced placed property insurance; a
42 vendor's single interest policy; and any other insurance product
as determined by the superintendent. In addition, a financial
44 institution, credit union, financial institution holding company
or a subsidiary or employee of any such entity may sell
46 annuities, arrange for the sale of annuities or share commissions
in connection with the sale of annuities to the extent authorized
48 by Title 9-B, section 443, subsection 11, if the entity has been
licensed pursuant to this chapter and if that activity includes
50 the sale of variable annuity contracts, a national association of

2 securities dealers registration form must be submitted to the
3 superintendent as required by the provisions of section 1423,
4 subsection 7.

6 3. Rulemaking. The superintendent, the Superintendent of
7 Banking and the Director of the Office of Consumer Credit
8 Regulation may, pursuant to this subsection, Title 9-A, section
9 4-407 and Title 9-B, section 448, subsection 5, undertake joint
10 rulemaking to carry out the purpose of this section, including
11 issues regarding signs, the physical location of sales of
12 insurance and identification of producers affiliated with
13 financial institutions, credit unions, financial institution
14 holding companies or supervised lenders. In adopting rules
15 pursuant to this section, the superintendent, the Superintendent
16 of Banking and the Director of Consumer Credit Regulation shall
17 consider the possibility of confusion and perception of coercion
18 among the insurance-consuming public, the need for cost-effective
19 delivery of insurance products to insurance consumers and the
20 importance of parity among producers affiliated with federally
21 chartered and state-chartered financial institutions and credit
22 unions. Any rule adopted may not interfere significantly with
23 the ability of a producer to solicit or negotiate the sale of an
24 insurance product, whether or not that producer is affiliated
25 with a financial institution, credit union, financial institution
26 holding company or supervised lender, except when no other
27 reasonable alternative exists to protect the insurance-consuming
28 public. Rules adopted under this section are routine technical
29 rules pursuant to Title 5, chapter 375, subchapter II-A. Nothing
30 in this section is intended to restrict or interfere with the
31 ability of the bureau, the Bureau of Banking or the Office of
32 Consumer Credit Regulation to adopt rules with respect to areas
33 in which the respective agencies have independent jurisdiction.'

34 Further amend the bill in section 23 in that part designated
35 "§1444." in the first paragraph in the 8th line (page 27, line 30
36 in L.D.) by inserting after the following: "1450" the following:
37 ' subsection 2'

38 Further amend the bill in section 23 in that part designated
39 "§1445." in subsection 1 by striking out all of paragraph A (page
40 28, lines 8 and 9 in L.D.) and inserting in its place the
41 following:

42 'A. Shall ensure adequate training for its appointed
43 producers;'

44 Further amend the bill in section 23 in that part designated
45 "§1445." in subsection 2 by striking out all of paragraph B and
46 inserting in its place the following:

50

2 'B. Receive a fee for rendering advice on financial or
3 estate planning or for selling trust packages, if the
4 producer also recommends the purchase of an insurance policy
5 upon which the producer will receive commissions, unless the
6 producer is licensed as a consultant acting in compliance
7 with consultant licensing laws.'

8 Further amend the bill in section 23 in that part designated
9 "~~§1445.~~" in subsection 3 in the first line (page 28, line 42 in
10 L.D.) by striking out the following: "Consumer remedies" and
11 inserting in its place the following: 'Common law principles'

12 Further amend the bill in section 23 in that part designated
13 "~~§1445.~~" in subsection 3 in the 2nd line (page 28, line 43 in
14 L.D.) by striking out the following: "rights" and inserting in
15 its place the following: 'principles'

16 Further amend the bill in section 23 in that part designated
17 "~~§1445.~~" in subsection 3 in the last line (page 28, line 44 in
18 L.D.) by striking out the following: "for consumers or the
19 superintendent" and inserting in its place the following: 'or
20 defenses'

21 Further amend the bill in section 23 in that part designated
22 "~~§1447.~~" in subsection 1 in the first line (page 29, line 7 in
23 L.D.) by inserting after the following: "keep" the following: 'or
24 make accessible'

25 Further amend the bill in section 23 in that part designated
26 "~~§1450.~~" in subsection 1 in the 4th and 5th lines (page 30, lines
27 36 and 37 in L.D.) by striking out all of the following: "or
28 compensation for" and inserting in its place the following: 'on a
29 sale of'

30 Further amend the bill in section 23 in that part designated
31 "~~§1450.~~" in subsection 2 by inserting at the end the following:
32 'If an insurance producer does not have an appointment with an
33 insurer, the insurance producer may place an insurance coverage
34 with that insurer without placing through an agent of the
35 insurer, and accept or share in the commission as long as:

36 A. The producer represents the insured and does not
37 represent the insurer;

38 B. The producer has the authority under the license to act
39 as an independent producer;

40 C. The producer does not, on a regular basis, normally
41 place business with that insurer;

2 D. The producer does not also receive a fee from the
insured for the service; and

4 E. The producer is licensed as to the kinds of insurance
involved.'

6 Further amend the bill by inserting after section 23 the
8 following:

10 'Sec. 24. 24-A MRSA §1508, as amended by PL 1983, c. 801, §§6
12 and 7, is repealed and the following enacted in its place:

14 §1508. "Consultant" defined

16 1. Consultant. "Consultant" means any person who, for a
fee, advises or offers to advise any person insured or seeking
insurance or named or to be named as beneficiary, or having or to
have any interest in or insured under any property and casualty
or life and health insurance contract or annuity contract,
20 existing or proposed.

22 A. "To advise" means to provide information relative to
coverage, rights or interests under insurance or annuity
contracts or relative to the retention, exchange, surrender,
exercise of rights or other disposition of insurance or
26 annuity contracts.

28 B. "Consultant" includes a person who collects a fee from
the insured or potential insured for advice on financial
planning and as part of that planning sells or plans to sell
insurance policies under an insurance agent or broker
license on which the agent or broker will collect
32 commissions.

34 C. "Consultant" includes a person who collects a fee from
the insured or potential insured for advice on estate
planning or for the sale of a trust package and as part of
the estate planning sells or plans to sell insurance
policies under an insurance agent or broker license on which
38 the agent or broker will collect commissions.

42 D. "Consultant" does not include:

44 (1) An attorney licensed to practice who is actively
practicing law in this State;

46 (2) An insurance actuary who is a member or associate
48 of the Society of Actuaries or Academy of Actuaries;

2 (3) A public accountant certified under Title 32,
3 chapter 113 or a certified public accountant who is
4 certified under Title 32, chapter 113 and in active
5 public practice;

6 (4) A licensed insurance agent or broker who receives
7 a fee in lieu of commission pursuant to section 1450 if
8 the insurance agent or broker receives the fee for the
9 insurance transaction and not for other services
10 provided; or

11 (5) A financial institution or a financial institution
12 holding company if the insurance advice is given as
13 part of its trust department rendering insurance advice
14 in a fiduciary capacity.

15 2. Life and health consultant. "Life and health
16 consultant" means a person licensed as a consultant to advise on
17 life contracts, annuity contracts or health insurance contracts.

18 3. Property and casualty consultant. "Property and
19 casualty consultant" means a person licensed as a consultant for
20 one or more of the following kinds of insurance:

- 21 A. Casualty insurance;
- 22 B. Property insurance;
- 23 C. Surety insurance;
- 24 D. Marine and transportation insurance;
- 25 E. Title insurance; or
- 26 F. Legal services insurance.

27 Sec. 25. 24-A MRSA §1512-A, sub-§6 is enacted to read:

28 6. Exceptions. A licensed insurance agent or broker in
29 this State may not:

- 30 A. Use knowledge gained as a result of the agent or
31 broker's relationship with the insurance consumer for the
32 agent's or the broker's own personal gain, other than the
33 receipt of commissions allowed under sections 1614 and 1676,
34 or use knowledge gained as a result of the relationship for
35 the purpose of investing the insurance consumer's money in
36 property or assets in which the insurance agent or broker or
37 the agent's or broker's relatives have or will have a
38 personal ownership interest unless such use is otherwise
39 permitted.

2 authorized under insurance, banking or securities laws or
3 rules; or

4 B. Receive a fee for rendering advice on financial planning
5 or estate planning or for selling trust packages, if the
6 agent or broker also recommends purchase of an insurance
7 policy upon which the agent or broker will receive a
8 commission, unless the agent or broker is licensed as a
9 consultant acting in compliance with consultant licensing
10 laws.

12 **Sec. 26. 24-A MRSA §1809**, as repealed and replaced by PL
13 1979, c. 341, is repealed and the following enacted in its place:

14 **§1809. Obligation to serve interest of client**

16 A consultant is obligated, under a license, to serve with
17 objectivity and complete loyalty the interests of the
18 consultant's client and to render to the client such information,
19 counsel and service as within the knowledge, understanding and
20 opinion in good faith of the consultant will best serve the
21 client's insurance or annuity needs and interests. A consultant
22 may not use knowledge gained as a result of the consultant's
23 insurance relationship with the client for the consultant's own
24 personal gain, other than the receipt of fees or commissions
25 allowed under section 1808, or use knowledge gained as a result
26 of the relationship for the purpose of investing the client's
27 money in property or assets in which the consultant, or any
28 person with whom the consultant has pecuniary interest or a
29 familial relationship, has or will have a personal ownership
30 interest unless such use is otherwise specifically authorized
31 under insurance, banking or securities laws.'
32

34 Further amend the bill by striking out all of section 36.

36 Further amend the bill in section 37 in paragraph B in the
37 last line (page 40, line 4 in L.D.) by striking out the
38 following: "expenses." and inserting in its place the following:
39 'expenses except that, if a filing affecting surety bonds for
40 construction projects financed in whole or in part with public
41 funds allows for any reduction in premium to be given, paid,
42 allowed or offered after execution of the bond, including,
43 without limitation, any rebate, discount, consideration or
44 inducement of any kind, the filing must ensure that the entire
45 amount of the reduction will be paid directly to the governmental
46 department or agency administering the public funds for the
47 project. In the case of a project financed only in part with
48 public funds, the governmental department or agency may be paid a
49 percentage of the reduction equal to the percentage of the
50 project that is financed with public funds.'

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2 Further amend the bill in section 39 in that part designated
3 "§2163-A." in the first paragraph in the 6th line (page 40, line
4 39 in L.D.) by inserting after the following: "which" the
5 following: 'case'

6
7 Further amend the bill in section 42 in subsection 5 in the
8 2nd line (page 41, line 18 in L.D.) by striking out the
9 following: "agents" and inserting in its place the following:
10 'agents producers'

11
12 Further amend the bill in section 42 in subsection 5 in the
13 4th line (page 41, line 20 in L.D.) by striking out the
14 following: "agent's" and inserting in its place the following:
15 'agent's producer's'

16
17 Further amend the bill in section 42 in subsection 5 in the
18 6th line (page 41, line 22 in L.D.) by striking out the
19 following: "agent's" and inserting in its place the following:
20 'agent's producer's'

21
22 Further amend the bill in section 42 in subsection 5 in the
23 10th line (page 41, line 26 in L.D.) by striking out the
24 following: "agents" and inserting in its place the following:
25 'agents producers'

26
27 Further amend the bill in section 45 in subsection 1 in the
28 last 2 lines (page 41, lines 46 and 47 in L.D.) by striking out
29 all of the following: "or by serving the superintendent as the
30 insurer's process agent under sections section 421 and-422" and
31 inserting in its place the following: '~~er--by--serving--the~~
32 ~~superintendent--as--the--insurer's--process--agent--under--sections--421~~
33 ~~and-422~~'

34
35 Further amend the bill by inserting after section 52 the
36 following:

37 '**Sec. 53. Effective date.** Those sections of this Act that amend
38 the Maine Revised Statutes, Title 5, section 12004-I, subsection
39 70-A; Title 24-A, section 601, subsection 5; section 1905,
40 subsection 3; section 1907, subsection 1; section 1955,
41 subsection 2; section 2012, subsection 4; section 2013,
42 subsection 2; section 3354, subsection 5; section 3628, first
43 paragraph; section 3629, subsection 9; section 4128, first
44 paragraph; and section 6402, subsection 7 take effect October 1,
45 1997. Those sections of this Act that repeal Title 5, section
46 12004-I, subsection 71; Title 24, section 2312; section 2313 and
47 Title 24-A, section 601, subsection 6; and chapter 17 take effect
48 October 1, 1997. That section of this Act that enacts Title
49 24-A, chapter 16 takes effect October 1, 1997.'

2 Further amend the bill by relettering or renumbering any
3 nonconsecutive Part letter or section number to read
4 consecutively.

6 Further amend the bill by inserting at the end before the
7 summary the following:

8
10 **FISCAL NOTE**

12 The elimination of current license requirements for certain
13 insurance adjusters may reduce dedicated revenues collected by
14 the Bureau of Insurance within the Department of Professional and
15 Financial Regulation by as much as \$109,740 and \$67,260 in fiscal
16 years 1997-98 and 1998-99, respectively. The actual loss of
17 revenue for either fiscal year may be significantly lower. The
18 amounts will depend on the number of adjusters employed by
19 licensed entities that decide to continue their individual
20 licensure which can not be determined at this time.

22 The Bureau of Insurance will incur some minor additional
23 costs to adopt certain rules. These costs can be absorbed within
24 the bureau's existing budgeted resources.'

26
28 **SUMMARY**

30 This amendment adds a provision to preserve the "broker"
31 concept consistent with current law and rewrites several sections
32 for clarification. The amendment adds additional reasons why
33 advance notice of termination of producer or agency appointment
34 is not required. It preserves the definition of service
35 representative and a licensing exception for salaried employees
36 of life insurers. It allows an agency 90 days within which to
37 get an officer or member licensed and designated as responsible
38 for the agency and allows the Superintendent of Insurance to
39 extend that period for good cause. The amendment provides that
40 when any rebate or discount for a surety bond is approved the
41 economic value of the rebate or discount must be returned to the
42 governmental agency or department of the surety bond covering a
43 project supported with public funds.

44 The amendment adds an effective date of October 1, 1997 for
45 all provisions of the bill pertaining to "single producer
46 licensing" the repeal of Title 24-A, chapter 17 and the enactment
47 of Title 24-A, chapter 16. This amendment also adds a fiscal
48 note to the bill.

50 The amendment also adds a fiscal note to the bill.