

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 350

H.P. 246

House of Representatives, January 14, 1999

An Act to Improve the Delivery of Services in Insurance.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative O'NEIL of Saco.

Cosponsored by Representatives: MAYO of Bath, SAXL of Bangor, SULLIVAN of Biddeford.

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

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4 **Sec. 1. 24-A MRSA §1441-B, sub-§1, ¶¶J and K**, as enacted by PL 1997, c. 592, §41, are amended to read:

6 J. An insurer, health maintenance organization, fraternal benefit society, nonprofit hospital or medical service organization, viatical settlement provider or risk retention group and the agency or producer have mutually agreed upon other terms; ~~or~~

12 K. All insurers' licenses or appointments terminate or ~~expire; or~~

14 **Sec. 2. 24-A MRSA §1441-B, sub-§1, ¶L** is enacted to read:

16 L. An insurer, health maintenance organization, fraternal benefit society, nonprofit hospital or medical service organization, viatical settlement provider or risk retention group receives a broker of record letter from the insured requesting a change in agencies or agents, a release of assignments or a redirection of commissions.

24 **Sec. 3. 24-A MRSA §1441-B, sub-§3**, as enacted by PL 1997, c. 592, §41, is amended to read:

26 **3. Rights of insureds.** The termination of an appointment under this section does not affect the rights of insureds. An insured may change agencies or agents, may release assignments or may redirect commissions by sending a broker of record letter requesting so to the insurer, health maintenance organization, fraternal benefit society, nonprofit hospital or medical service organization, viatical settlement provider or risk retention group on any group or individual policy for any line purchased by the insured.

32 **Sec. 4. 24-A MRSA §1447, sub-§3** is enacted to read:

34 **3. Release to 3rd parties.** If an agent leaves an insurance agency, the agent may retain a duplicate copy of the records for which the agent was responsible while employed by that agency. If an agency's or insurance producer's appointment is terminated due to a broker of record letter being sent to the insurer, health maintenance organization, fraternal benefit society, nonprofit hospital or medical service organization, viatical settlement provider or risk retention group as described in section 1441-B, subsection 3, the agency or insurance producer shall make available to the new agency, insurance producer or agent copies of all records pertaining to that appointment and policy.

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SUMMARY

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6 This bill allows insureds to change insurance agencies by
8 sending a broker of record letter to the insurer. The agency is
 required to make copies of all records pertaining to the policy
 available to the new insurance agency or agent.