

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 438, L.D. 601, Bill, "An Act to Clarify the Duty of Insurance Agencies to Keep Records"

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

Sec. 1. 24-A MRSA §1447, sub-§1, as enacted by PL 1997, c. 457, §23 and affected by §55, is amended to read:

1. Records. The insurance producer or agency shall keep or make accessible at the producer's or agency's place of business a copy of the written appointment or designation from each insurer, health maintenance organization, fraternal benefit society or nonprofit hospital or medical service organization with which the insurance producer or agency has an appointment. The insurance producer or agency shall keep at the producer's or agency's place of business complete records of transactions under the license. If a producer engages in transactions on behalf of an agency and subsequently maintains a different place of business, the agency shall maintain the records of those transactions. If a producer engages in transactions independent of any agency, the producer shall maintain the records of those transactions. For the purpose of examination or investigation by the superintendent, records may be maintained in electronic form. As to each insurance policy or contract placed through or sold by the licensee, the records must show:

A. The names of the insurer, health maintenance organization, fraternal benefit society or nonprofit hospital or medical service organization;

B. The number and expiration date of the policy or contract;

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- 2 C. The premium payable as to the policy or contract;
4 D. The name and address of the insured;
6 E. The date and time of every binder made by the insurance
8 producer; and
10 F. Such other information as the superintendent may
12 reasonably require.'

14 **SUMMARY**

16 This amendment replaces the bill. It clarifies that if a
18 producer engages in a transaction on behalf of an insurance
20 agency and subsequently maintains a different place of business,
22 the duty to keep records of the transaction falls on the
insurance agency and not the individual producer. If a producer
engages in transactions independent of any agency, the producer
has the duty to keep records.