

# MAINE STATE LEGISLATURE

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R.S.

L.D. 2

DATE: **3-25-03**

(Filing No. H-**29**)

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "**A**" to H.P. 9, L.D. 2, Bill, "An Act to Extend the Time to Pay a Premium to the Insured"

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'Sec. 1. 24-A MRSA §1449, as enacted by PL 1997, c. 457, §23 and affected by §55, is repealed and the following enacted in its place:

**§1449. Reporting and accounting for premiums**

All premiums and return premiums received by an insurance producer are trust funds received by the licensee in a fiduciary capacity in accordance with this section.

**1. Return premiums; accounting and payment to an insured.**  
The licensee shall account for and pay the return premiums to the insured or apply the return premiums to outstanding balances of any insured within 30 days from the date of receipt. The date of receipt is the date the money is actually received or the date the credit is posted by the insurer, health maintenance organization, fraternal benefit society or nonprofit hospital or medical service organization to the licensee's account.

**2. Premiums; accounting and payment to an insurer.**  
The licensee shall promptly account for and pay premiums to the insurer, health maintenance organization, fraternal benefit society or nonprofit hospital or medical service organization in accordance with the contract between the insurer, health

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to H.P. 9, L.D. 2

2 maintenance organization, fraternal benefit society or nonprofit  
hospital or medical service organization and the licensee.'

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### SUMMARY

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8 This amendment replaces the bill. The bill extended the  
time for a licensed insurance producer to pay return premiums to  
10 an insured from 10 days to 45 days. This amendment extends that  
time from 10 to 30 days. The amendment also clarifies that the  
12 payment of premiums by an insurance producer to an insurance  
company must be done in accordance with the contract between the  
producer and the insurance company.

# COMMITTEE AMENDMENT