

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

SECOND REGULAR SESSION-2012

Legislative Document

No. 1773

H.P. 1305

House of Representatives, January 11, 2012

An Act Regarding Insurance Adjusters and Reporting Requirements for Insurance Companies

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative CUSHING of Hampden.
Cosponsored by Senator WHITTEMORE of Somerset and
Representatives: FITZPATRICK of Houlton, FOSSEL of Alna, KNIGHT of Livermore Falls,
Speaker NUTTING of Oakland, WINSOR of Norway, Senator: PLOWMAN of Penobscot.

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

2 **Sec. 1. 24-A MRSA §1402, sub-§1, ¶¶E and F**, as enacted by PL 1997, c. 457,
3 §23 and affected by §55, are amended to read:

4 E. Persons adjusting only life and health insurance claims; ~~or~~

5 F. Adjuster trainees; ~~or~~

6 **Sec. 2. 24-A MRSA §1402, sub-§1, ¶G** is enacted to read:

7 G. An individual who collects claim information from, or furnishes claim
8 information to, insureds or claimants and who conducts data entry including entering
9 data into an automated claims adjudication system as long as the individual is an
10 employee of an adjuster licensed under this chapter or the adjuster's affiliate when no
11 more than 25 such persons are under the supervision of one licensed adjuster or
12 insurance producer described under paragraph C. For purposes of this paragraph,
13 "automated claims adjudication system" means a preprogrammed computer system
14 designed for the collection, data entry, calculation and final resolution of portable
15 electronic device insurance claims that:

16 (1) May only be used by a licensed adjuster, insurance producer or supervised
17 individual operating pursuant to this paragraph;

18 (2) Must comply with all claims payment requirements of the Maine Insurance
19 Code; and

20 (3) Must be certified as compliant with this paragraph by a licensed adjuster that
21 is an officer of a business entity licensed under this chapter.

22 **Sec. 3. 24-A MRSA §1413, sub-§2**, as amended by PL 2001, c. 259, §14, is
23 further amended to read:

24 **2. Officers; directors; members; partners.** A business entity shall notify the
25 superintendent of its members, directors, officers or partners, and of all executive officers
26 and directors of entities owning and individuals owning, directly or indirectly, 51% or
27 more of the outstanding voting securities of the applicant, within 14 days of a request for
28 such information by the superintendent. A nonresident business entity applying for a
29 license under this chapter whose home state as defined in section 1420-A, subsection 2
30 complies with all the provisions of this section is not required to submit background
31 information regarding its executive officers, directors and owners of outstanding voting
32 securities.

33 **Sec. 4. 24-A MRSA §1427-A, sub-§1**, as enacted by PL 2001, c. 259, §32, is
34 amended to read:

35 **1. Exemption.** An individual who applies for an adjuster or consultant license in
36 this State who was previously licensed as such in another state is not required to complete
37 any preclicensing education or examination pursuant to section 1410. This exemption is
38 only available if the person is currently licensed in that state or if the application is
39 received within 90 days of the cancellation of the applicant's previous license and if the

1 prior state issues a certification that, at the time of cancellation, the applicant was in good
2 standing in that state, or the state's producer database records, maintained by the National
3 Association of Insurance Commissioners, its affiliates or subsidiaries or any successor
4 organization, indicate that the adjuster or consultant is or was licensed in good standing
5 for the type of license requested.

6 A resident of Canada may not be licensed as a resident adjuster pursuant to section 1411
7 and may not designate this State as the person's home state unless the person has
8 successfully passed the adjuster examination under section 1410 and has complied with
9 the requirements of section 1472, subsection 2.

10 A resident of Canada may not be licensed as a nonresident adjuster pursuant to section
11 1411 unless the person has obtained a resident or home state adjuster license in another
12 jurisdiction.

13 As used in this subsection, unless the context otherwise indicates, "home state" means the
14 District of Columbia and any state or territory of the United States that is the location of
15 an adjuster's principal place of residence or principal place of business and in which that
16 person is licensed to act as an adjuster.

17 **SUMMARY**

18 This bill provides that the performance of clerical activities associated with licensed
19 adjuster activities for portable electronic devices does not require an adjuster's license. It
20 requires insurance companies to notify the Superintendent of Insurance of all executive
21 officers and directors of entities owning and individuals owning 51% or more of their
22 outstanding voting securities. It clarifies the reporting standards for nonresident insurance
23 companies. It adds provisions governing the licensure of a resident of Canada as an
24 adjuster.