

# MAINE STATE LEGISLATURE

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EIGHTY-FIFTH LEGISLATURE

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Legislative Document

No. 539

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H. P. 631 House of Representatives, Feb. 12, 1931.

ORDERED, That there be printed 500 copies of H. P. 631, being Bill "An Act relating to Insurance Agents and Brokers. Read and passed.

CLYDE R. CHAPMAN, Clerk.

A true copy.

Attest: HARVEY R. PEASE,

Assistant Clerk.

Presented by Mr. Plummer of Portland.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD ONE THOUSAND NINE  
HUNDRED AND THIRTY-ONE

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AN ACT Relating to Insurance Agents and Brokers.

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

Section 1. Section one hundred and twenty-two of chapter sixty of the revised statutes of Maine, nineteen hundred and thirty, is amended by inserting after the word "company" in the third line of said section the words 'or to solicit, receive or forward applications for life insurance as an agent of a foreign life insurance company which has received a license to do business in this state as provided in section one hundred five;' by inserting after the word "act" in the fifth line of said section the words 'provided, however, that all applications for life insurance solicited, received and forwarded by non-resident agents for foreign life insurance companies shall be placed through a duly licensed resident, general or territorial agent of such company in this state; and provided, further, that a non-resident may only be so licensed in this state to act as an agent for a foreign life insurance company if under the laws of the state of his residence, residents of Maine may be licensed to solicit and write life insurance in such other state;' by insert-

ing between the words "and" and "to" in the fifth line of said section the words 'the insurance commissioner may issue a license'; and by inserting between the words "any" and "foreign" in the sixth line of said section, the word 'other,' so that said section as amended shall read as follows:

'Sec. 122. Licenses of agents; agent personally liable for unlawful contracts; penalty. R. S. c. 53, sec. 121. 1917, c. 25, sec. 1. The insurance commissioner may issue a license to any person to act as an agent of a domestic insurance company, or to solicit, receive or forward applications for life insurance as an agent of a foreign life insurance company which has received a license to do business in this state as provided in section one hundred five, upon his filing with the commissioner a certificate from the company or association, or its authorized agent, empowering him so to act, provided, however, that all applications for life insurance solicited, received and forwarded by non-resident agents for foreign life insurance companies shall be placed through a duly licensed resident, general or territorial agent of such company in this state; and provided, further, that a non-resident may only be so licensed in this state to act as an agent for a foreign life insurance company if under the laws of the state of his residence, residents of Maine may be licensed to solicit and write life insurance in such other state; and the insurance commissioner may issue a license to any resident of the state to act as an agent of any other foreign insurance company, which has received a license to do business in the state as provided in section one hundred five or section one hundred fifty-four, upon his filing such certificate. Such license shall continue until the first day of the next July. If any person solicits, receives or forwards any risk or application for insurance to any company without first receiving such license, or fraudulently assumes to be an agent and thus procures risks and receives money for premiums he shall be punished by a fine of not more than two hundred dollars, or by imprisonment for not more than sixty days, for each offense; but any policy issued on such application binds the company if otherwise valid. Agents of duly authorized insurance companies may place risks with agents of other duly authorized companies when necessary for the adequate insurance of property, persons or interests. An insurance agent shall be personally liable on all contracts of insurance unlaw-

fully made by or through him, directly or indirectly, for or in behalf of any company not authorized to do business in the state. Nothing herein contained shall require a duly licensed insurance agent or broker to obtain any license for an employee doing only clerical office work in the office of said agent or broker.'

Sec. 2. Section one hundred and twenty-three of chapter sixty of the revised statutes of Maine, nineteen hundred and thirty, is amended by inserting after the word "agents" in the sixth line of said section, the words 'or to negotiate contracts of life insurance for others than himself for compensation by virtue of which license he may effect life insurance with the duly licensed resident, general or territorial agents of any foreign life insurance company which has been licensed to do business in this state, as provided in sections one hundred and five and one hundred and twenty-two, but with no others; provided, however, that a non-resident may only be so licensed in this state to act as such broker to effect life insurance with such agents of such foreign life insurance companies if under the laws of the state of his residence, residents of Maine may be licensed to act as such broker for life insurance in such other state,' by inserting between the words "or" and "any," in the sixth line of said section, the words 'the insurance commissioner may license'; by inserting between the words "any" and "foreign," in the seventh line of said section, the word 'other'; and by inserting between the words "notice" and "may" in the fourteenth line of said section, the words 'and hearing,' so that said section as amended shall read as follows:

'Sec. 123. Commissioner may license insurance brokers; penalty for acting without license; may revoke license for cause or upon request of company. R. S. c. 53, 122. 1917, c. 25, 2. The insurance commissioner may license any person as broker to negotiate contracts of insurance for others than himself for a compensation, by virtue of which license he may effect insurance with any domestic company or its agents; or to negotiate contracts of life insurance for others than himself for compensation by virtue of which license he may effect life insurance with the duly licensed resident, general or territorial agents of any foreign life insurance company which has been licensed to do business in this state, as provided in sec-

tions one hundred and five and one hundred and twenty-two, but with no others; provided, however, that a non-resident may only be so licensed in this state to act as such broker to effect life insurance with such agents of such foreign life insurance companies if under the laws of the state of his residence, residents of Maine may be licensed to act as such broker for life insurance in such other state; or the insurance commissioner may license any resident of the state to negotiate such contracts and effect insurance with the agents of any other foreign company who have been licensed to do business in this state as provided in sections one hundred five and one hundred twenty-two, but with no others; said license shall remain in force one year unless revoked as hereinafter provided. Whoever, without such license, assumes to act as such broker, shall be punished by a fine of not more than two hundred dollars, or by imprisonment for not more than sixty days for each offense. The insurance commissioner, after reasonable notice and hearing, may revoke the license of any agent or broker for violation of the insurance laws; or the license of any agent upon receipt of written request therefor from the company filed in the office of said commissioner.'