

MAINE STATE LEGISLATURE

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E I G H T Y - N I N T H L E G I S L A T U R E

Legislative Document

No. 887

H. P. 1681

House of Representatives, February 14, 1939.

Referred to Committee on Mercantile Affairs and Insurance and sent up
concurrence. 500 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Young of Old Orchard Beach by request.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-NINE

AN ACT To Protect Insurance Agents from Unfair Competition.

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

Sec. 1. R. S., c. 60, § 122, amended. Section 122 of chapter 60 of the revised statutes is hereby amended to read as follows :

‘Sec. 122. Licenses of agents; agent personally liable for unlawful contracts; penalty. The insurance commissioner may issue a license to any person to act as an agent of a domestic insurance company, upon his filing with the commissioner a certificate from the company or association, or its authorized agent, empowering him so to act; and to any resident of the state to act as an agent of any foreign insurance company, which has received a license to do business in the state as provided in section 105 or section 154, upon his filing such certificate. Such license shall continue until the 1st 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 \$200, or by imprisonment for not more than 60 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 unlawfully 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.

No person who is an officer, clerk or employee of any bank, loan and building association or other financial institution engaged in the making of loans of money to the public shall be licensed to act as agent for any insurance company, and no judge or register of probate, or clerk or employee in the office of any judge or register of probate shall be licensed to act as agent for any insurance company. This act shall not be held to apply to any officer, clerk or employee of a Federal Land Bank, National Farm Loan Association, Home Owners' Loan Corporation, or any loaning agency sponsored by the state of Maine or the government of the United States.'

Sec. 2. R. S., c. 60, § 124, amended. Section 124 of chapter 60 of the revised statutes is hereby amended to read as follows :

'Sec. 124. Firms and corporations may be licensed as insurance agents and brokers. The insurance commissioner may issue licenses to firms and corporations in the manner provided in the 2 preceding sections, authorizing said firms and corporations to act as insurance agents and brokers. The application for said license shall, in case of a firm, give the name of the firm by which the business is to be transacted, and the name and residence of each individual member thereof, and in case of a corporation, the corporate name in which the business is to be transacted, and the name and residence of each officer or member of such corporation authorized to transact business therefor; the license issued to such firm shall give the firm name, and the name of each individual member thereof, and the license issued to such corporation shall give the corporate name, and the name of each officer or member thereof authorized to transact business therefor under such license, and such licenses shall authorize the persons named therein to transact business for and in the name of the firm or corporation only.

No bank, loan and building association, or other financial institution engaged in the business of making loans of money to the public, and no corporation any of whose officers, clerks or employees are officers, clerks or employees of any bank, loan and building association or other financial

institution engaged in the making of loans of money to the public, shall be licensed to act as agent for any insurance company.

No bank, loan and building association, or other financial institution engaged in the business of making loans of money to the public, and no corporation any of whose officers, clerks or employees are officers, clerks or employees of any bank, loan and building association or other financial institution engaged in the making of loans of money to the public, shall require that an applicant for a loan or a person, association, partnership or corporation owing money to said bank, said loan and building association, said financial institution, or said corporation, shall take insurance through any designated agency or from any designated insurance company.'