

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINTH LEGISLATURE

FIRST REGULAR SESSION

January 3, 1979 to June 15, 1979

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED, TITLE 3, SECTION 164, SUBSECTION 6.

Kennebec Journal
Augusta, Maine
1979

PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED AT THE
FIRST REGULAR SESSION
of the
ONE HUNDRED AND NINTH LEGISLATURE
1979

Any notice posted pursuant to this section shall set out the provision of section 110 of this Act.

Effective September 14, 1979

CHAPTER 341

S. P. 381 — L. D. 1213

AN ACT Concerning Insurance Consultants.

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

24-A MRSA c. 17, sub-c. IV, as amended is repealed and the following enacted in its place:

SUBCHAPTER IV

INSURANCE CONSULTANTS

QUALIFICATIONS AND REQUIREMENTS

§ 1801. Short title

This subchapter may be referred to as the "Insurance Consultant Law."

§ 1802. Scope of subchapter IV

1. This subchapter applies only to general lines consultants and life consultants, as defined in section 1508.

2. Unless context otherwise requires, "consultant" as used in this subchapter means both general lines consultants and life consultants.

§ 1803. License required

1. No person may act as a general lines consultant or a life consultant in this State without first obtaining a license therefor from the superintendent in accordance with this subchapter.

2. For purposes of this subchapter, the word "person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a business trust, an unincorporated organization or any similar entity or any combination of the foregoing acting alone or in concert.

§ 1804. Qualifications for license

No license shall be issued pursuant to this subchapter unless the superintendent shall first certify that the applicant therefor:

1. Has had not less than 5 years of actual experience as a licensed agent or broker with respect to the kinds of insurance and contracts to be covered by the license;
2. Has satisfactorily passed a written examination administered by the superintendent; and
3. Has filed a bond as required by section 1805.

§ 1805. Consultant's bond

1. Every applicant for license as a consultant shall file with the superintendent with his application for license, and shall maintain in effect while so licensed, a bond issued by an authorized surety insurer in favor of the State of Maine, continuous in form and providing for aggregate liability of \$10,000.

2. The bond shall indemnify any person damaged by any fraudulent act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as such a licensee.

3. The bond shall remain in force until released by the superintendent or until cancelled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon 30 days advance written notice to the licensee and the superintendent.

§ 1806. Records

All licensees shall maintain complete and accurate records of all transactions for which a license is herein required. The records shall be kept for a period of 4 years and shall be made available to the superintendent for inspection upon reasonable request.

§ 1807. Consulting contract required

No licensee shall act in any capacity for which a license is required hereunder, without having first entered into a written contract with his client; the contract to include, without limitation, the amount and basis of any consulting fee and the duration of employment and shall be in a form as approved by the superintendent.

§ 1808. Commissions and fees

1. A consultant, nor any person in whom he has an interest, shall not, directly

or indirectly, receive or share in any commission or compensation paid, directly or indirectly, by any insurer with respect to any property or casualty insurance procured, renewed, continued, modified, terminated or otherwise disposed of pursuant to any recommendation given or transaction engaged in by the licensee for which a license is required by this subchapter unless the procurement, renewal, continuance, modification, termination or other disposal, or obligation to do the same, occurs at least 12 months before or after the period of employment as a consultant as specified in the contract required by section 1807.

2. A life consultant may charge a consulting fee and receive commissions for the sale of insurance as an agent or broker if both the consulting fee and the insurance commissions are provided for in a written agreement, in a form approved by the Superintendent of Insurance, signed by the client and the life consultant. A life consultant shall offset his fees against first-year commissions received as agent or broker on the sale of insurance. The offset shall apply only to those commissions received as a result of services performed under the agreement.

§ 1809. Obligation to serve interest of client

A consultant is obligated, under his license, to serve with objectivity and complete loyalty the interests of his client alone; and to render his client such information, counsel and service as within the knowledge, understanding and opinion in good faith of the licensee will best serve the client's insurance or annuity needs and interests.

§ 1810. Nonresident consultants; service of process

Section 1617, service of process, shall also apply to nonresidents of this State licensed as consultants by this State.

Effective September 14, 1979

CHAPTER 342

H. P. 1066 — L. D. 1320

AN ACT to Clarify the Tax Law by Providing that a Retailer's Sale of Equipment Used in its Business is Taxable if it is Like Equipment Sold in the Ordinary Course of Business.

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

36 MRSA § 1752, sub-§ 11, as last amended by PL 1977, c. 477, § 9, is further amended by adding after the 4th sentence a new sentence to read: