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CHAPTER 21

AGENTS AND BROKERS

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SUBCHAPTER I

GENERAL PROVISIONS

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§ 2501. Definitions

The listed terms as used in this subchapter are defined as follows, unless a different meaning is plainly required by the context:

1. Authorized insurance company. "Authorized insurance company" means an insurance company licensed to transact insurance business in this State.

2. Organization. "Organization" means a partnership, company or corporation.

3. Resident. "Resident" means a person who has his domicile or his principal place of business in this State or an organization which has an established place of business in this State.

4. Unauthorized insurance company. "Unauthorized insurance company" means a foreign insurance company or an association as defined in section 651 which is not licensed to transact insurance business in this State.

1959, c. 346, § 13.

§ 2502. Types of licenses

The commissioner may issue the following types of licenses which must be obtained before a person or organization may perform any act authorized by them:

1. **Resident agent.** Resident agent's license;
2. **Nonresident agent.** Nonresident agent's license;
3. **Resident broker.** Resident broker's license;
4. **Nonresident broker.** Nonresident broker's license;
5. **Surplus line broker.** Surplus line broker's license;
6. **Resident organization agent.** Resident organization agent's license;
7. **Nonresident organization agent.** Nonresident organization agent's license;
8. **Resident organization broker.** Resident organization broker's license;
9. **Nonresident organization broker.** Nonresident organization broker's license;
10. **Adjuster.** Adjuster's license.

1959, c. 346, § 13.

§ 2503. Commissioner may restrict authority under license

The commissioner may restrict the authority of a person or organization, under a license issued as provided in section 2502, to fire, casualty, inland marine, ocean marine, fidelity, surety or other kind of insurance.

1959, c. 346, § 13.

§ 2504. Individual license requirements

In order to obtain an agent's, broker's or adjuster's license, an applicant must comply with the following requirements:

1. Application. He must file an application with the commissioner containing his name, date of birth, place of residence, present occupation, occupation for the preceding 5 years and any other pertinent information required by the commissioner.

2. Age. He must be at least 21 years of age.

3. Residence. He must be a resident of this State if he applies for a resident agent's or broker's license or for an adjuster's license.

A. An applicant for or holder of a resident agent's or broker's license may not be licensed as a resident agent or broker in any other state.

4. Character. He must have good moral character.

5. Good faith. He must intend to hold himself out in good faith as an agent, broker or adjuster.

6. Examination fee. He must pay an examination fee to the commissioner as provided in section 371, unless exempted by subsection 7.

7. Examination. He must appear at the time and place designated by the commissioner to take a written examination. He must pass the examination with a grade indicating his ability to perform his duties in a satisfactory manner under the license for which he applies.

A. A personal examination and examination fee are not required of an applicant for an agent's license when the annual premium on each policy to be sold under the license does not exceed \$2.

B. A personal examination and examination fee are not required of an applicant for an agent's license only for the sale of baggage or accident insurance covering travel risks, if the applicant is employed primarily for a purpose other than the sale of insurance.

C. A personal examination and examination fee are not required of an applicant for an agent's license only for the sale of insurance written on the assessment basis by a domestic mutual fire insurance company.

D. A personal examination and examination fee are not required of an applicant for an agent's license under sections 2204 and 2313.

E. A personal examination and examination fee are not required for the renewal of a license already issued, except as provided in section 2511.

8. Educational requirement. An applicant who is required to take a written examination must have completed the educational requirement prescribed by either paragraph A or B within the 2 years next prior to the date his application for a license is filed with the commissioner.

A. Required courses of instruction. He must have completed successfully such courses of instruction in insurance as may be required and approved by the commissioner. Such courses may be either in attendance at or under the supervision and direction of or by correspondence with an educational institution or insurance company approved by the commissioner.

B. Experience. He must have had 6 months of responsible duties as a substantially full-time employee of an insurance agent or broker, or of an insurance company, its manager, general agent or representative in the fire, casualty and surety business.

C. Affidavit required. Where an applicant's educational requirement consists of employment as prescribed by paragraph B, he must submit an affidavit by his employer stating his period of employment, that it was substantially full-time, and the nature of the duties performed by him.

1961, c. 319, § 1.

9. License fee. He must pay the license fee to the commissioner as provided in section 371.

10. Agent must be authorized. The applicant for an agent's license must be authorized by each company he is to represent.

A. The company must be authorized to do business in this State.

B. The company must file a certificate with the commissioner authorizing the applicant to act as its agent.

11. Nonresident agent's license restricted. A nonresident agent may not be licensed in this State unless the laws of his

state of residence permit a resident of Maine to be similarly licensed.

1959, c. 378, § 47.

12. Special requirements for surplus line brokers. An applicant for a surplus line broker's license must comply with special requirements:

A. He must be licensed as a resident agent of an authorized fire or casualty insurance company and must maintain that license while his surplus line broker's license is in effect.

B. He must file with the Treasurer of State a bond in the penal sum of \$1,000 issued by a surety company approved by the commissioner containing the condition that the holder of the license will comply with the requirements of this Title which pertain to him. (1959, c. 378, § 47.)

1959, c. 346, § 13; c. 378, § 47; 1961, c. 319, § 1.

§ 2505. Examination advisory board

The commissioner shall appoint an advisory board of 5 members to make recommendations with respect to the scope, type and conduct of written examinations and the examination schedule.

1. Qualification of members. The members of the board must be residents of the State who are experienced in the fire, casualty or surety business, 2 of whom shall be representatives of the agents of fire, casualty and surety companies, one of whom shall be a representative of the domestic mutual insurance companies excluding life insurance companies, one of whom shall be the representative of other companies authorized to do a fire, casualty or surety business in the State and one of whom shall represent the public.

2. Term of office. Each member holds office for 3 years, but initial appointments must be made as follows: 2 for 3 years, 2 for 2 years and one for one year.

3. Compensation. The members of the board shall serve without pay, but the commissioner may authorize their reimbursement for travel expenses when attending board meetings.

1961, c. 319, § 2.

§ 2506. Organization license requirements

The following provisions apply to an organization agent's or broker's license:

1. Application. The application for the license must contain the name and location of the place of business of the organization, the name and residence of each member of a partnership or company and of each officer of a corporation, the name and residence of each person authorized to transact business for it, and any other pertinent information required by the commissioner.

2. Place of business. The organization must establish and maintain a place of business in this State if it applies for a resident organization agent's or broker's license.

3. License fee. The organization must pay the license fee to the commissioner as provided in section 371.

4. Content of license. A license issued to an organization must contain its name, the location of each place of business and the name and residence of each person authorized to transact business for it.

5. Individual qualifications. A person authorized to transact business for the organization must comply with the requirements of section 2504.

6. Employees authorized. On request of the organization, an employee who is licensed as an agent or broker may be authorized to act for the organization and his name shall be listed in the organization license.

1959, c. 346, § 13.

§ 2507. Examination

The following provisions apply to an examination for an agent's, broker's or adjuster's license:

1. Filed. The commissioner shall keep each examination on file for at least 6 months.

2. Use of fees. The examination fees shall be used to defray the expense of conducting examinations.

3. Waiting period. If an applicant fails to pass his first examination, he may take another with no waiting period or examination fee. If he fails to pass the 2nd or any subsequent examination, he must pay another examination fee as provided in section 371 and wait 6 months before retaking it.

1959, c. 346, § 13.

§ 2508. License issued

If the applicant complies with the pertinent requirements of sections 2504 and 2506, the commissioner shall issue him the license for which he applies.

1. Duration of agent's license. An agent's license remains effective until the first day of July following its date of issue.

2. Duration of broker's license. A broker's license remains effective for one year following its date of issue.

3. Duration of adjuster's license. An adjuster's license remains effective until the last day of December following its date of issue.

1959, c. 346, § 13.

§ 2509. Temporary emergency license

The commissioner may issue a temporary license without examination as follows:

1. Agent's or broker's license. On the death, disability, termination of employment or transfer out of State of a licensed agent or broker, the commissioner may issue a temporary license to a suitable person appointed by an insurance company to act as its agent, or to a person capable of transacting the business of a broker, when the license is necessary to continue the business of the agent or broker for the protection of the public.

2. License restricted. A license issued under this section may be effective for not more than 6 months and may not be renewed.

3. License fee. The applicant for a temporary license must pay the same license fee to the commissioner as provided in section 371 for a regular license.

1959, c. 346, § 13.

§ 2510. Exception to adjuster's license requirements

A license to adjust the losses of an authorized insurance company by whom he is employed or retained is not required of a resident who is a company employee, licensed insurance agent or attorney-at-law admitted to practice in this State.

1. Commissioner notified. An insurance company must notify the commissioner of the name and address of any person

not licensed as an adjuster or agent whom it has authorized to adjust its losses, before that person may act.

2. Commissioner may suspend license requirements. The commissioner may suspend the adjuster's license requirements for not more than 6 months when an emergency makes it necessary for an adjuster from another state to adjust losses in this State.

1959, c. 346, § 13.

§ 2511. Requalification of agent, broker or adjuster

After the elapse of 2 years from the expiration date of an agent's, broker's or adjuster's license, he must requalify under section 2504 before being relicensed, but the educational requirements for brokers or agents once fulfilled need not be repeated.

1959, c. 346, § 13; 1961, c. 319, § 3.

§ 2512. Authority; resident agent's license

A person licensed as a resident agent of any authorized insurance company may act as follows:

1. Sale of insurance. He may solicit, sell and make binding insurance contracts within the authority granted him by the company and the scope of his license.

2. Adjustment of losses. He may adjust the losses of the company within the authority granted him by the company.

3. Transfer of insurance business. He may place business which he is licensed to solicit with an agent of another authorized insurance company which transacts the same kind of insurance business, when necessary for the adequate protection of a risk.

1959, c. 346, § 13.

§ 2513. —Nonresident agent's license

A person licensed as a nonresident agent may represent an authorized insurance company and the commissioner may accept, in lieu of an examination, the certificate of the insurance department of the nonresident agent's home state for the type or types of insurance to be sold by such nonresident agent. The examination fee shall be paid with the application for such licenses in all instances.

1. Applications through resident agent. A nonresident agent must place all applications for insurance covering a risk in this State through a resident agent of the company.

1959, c. 346, § 13; c. 378, § 48; 1963, c. 174.

§ 2514. —Resident and nonresident broker's licenses

A person licensed as a resident or nonresident broker may negotiate insurance contracts covering risks in this State with any authorized insurance company within the scope of his license.

1. Placement through resident agent. A nonresident broker must place through a resident agent all insurance covering a resident of this State, property situated in this State, a risk incident to the performance or non-performance of any obligation to be performed in this State, or a risk incident to any obligation which is governed by the laws of this State though actually to be performed elsewhere, except as provided in section 525, subsection 1.

2. Countersigning fee. A nonresident broker shall pay a resident agent who countersigns a fire insurance contract covering property located in this State 50% of the commission as a countersigning fee.

1959, c. 346, § 13.

§ 2515. —Surplus line broker's license

A person licensed as a surplus line broker may negotiate insurance contracts covering fire, casualty, inland marine, ocean marine, fidelity and surety risks in this State with an unauthorized insurance company within the scope of his license.

1. Application to commissioner. He must make written application to the commissioner stating his reasons for desiring to insure a particular risk with an unauthorized insurance company.

2. Permission granted. The commissioner shall grant him permission to procure the desired insurance, if he finds that all the following conditions exist:

A. The desired coverage is necessary for the adequate protection of a risk in this State.

B. It may be written under the laws of this State by an authorized insurance company.

C. It is not available in any authorized insurance company.

D. The company named by the broker is responsible and financially sound.

3. Financial stability. If the commissioner finds that the company named by the broker is not responsible or financially sound, he shall notify the broker who may then submit the name of a different company.

4. Notice to commissioner. Within 5 days after the risk is insured, the broker shall give written notice to the commissioner of the name of the owner, location of the property, name and location of the company issuing the policy and any other pertinent information required by the commissioner.

5. Records. The broker shall keep a separate account of all the business done under his license and the necessary records to verify that account. All the records of the broker shall be open at all times to the inspection of the commissioner or his representative.

6. Monthly reports. He shall file a monthly report with the commissioner showing the amount of insurance placed for any person or organization, the location of each risk, the gross premium charged, the names of each company in which the insurance was placed, the date and term of each insurance contract issued and any other pertinent information required by the commissioner. The report shall show in the same detail each contract cancelled during the month covered by the report and the return premium on it.

7. Annual report and payment of premium tax. He shall file an annual report in January with the commissioner and the Treasurer of State containing a sworn statement of the gross premiums charged for insurance placed, and the gross return premiums on the insurance cancelled, during the year ending on the 31st of the preceding December. At the time of filing the report, he shall pay to the Treasurer of State 2% of the difference between the gross premiums and the return premiums reported for the business transacted during the year.

1959, c. 346, § 13.

§ 2516. —Organization agent's or broker's license

An organization agent's or broker's license entitles the organization through its representatives to act in the same manner as

an individual holding the same type of license. A person named in the license is entitled to act only for and in the name of the organization.

1. Limitation explained. This does not prevent a person named in an organization license from being licensed and acting in his own name.

1959, c. 346, § 13.

§ 2517. —Adjuster's license

A person licensed as an adjuster may investigate and negotiate the settlement of claims arising under insurance contracts issued by an insurance company.

1959, c. 346, § 13.

§ 2518. General regulations

The following general regulations apply:

1. Validity of insurance contract. An insurance contract issued on an application solicited, received or forwarded by an unlicensed person binds the issuing company, if it is otherwise valid.

2. Personal liability. An insurance agent is personally liable under any insurance contract made by or through him outside the scope of his authority.

3. License not needed. An employee who does only clerical work in the office of an insurance agent or broker need not obtain any license.

4. Authority to write surety bonds restricted. A judge of probate, register of probate or any employee in the office of either may not write surety bonds.

1959, c. 346, § 13.

§ 2519. Suspension or revocation of license

The following provisions apply to the suspension or revocation of, or the refusal to renew, a license issued by the commissioner.

1. Reasons for suspension or revocation. The commissioner shall suspend, revoke or refuse to renew the license of an agent, broker or adjuster for any of the following reasons:

A. Violation of any of the insurance laws of this State;

- B.** Willfully over-insuring property located in this State;
- C.** Willfully misrepresenting an insurance contract;
- D.** Dealing unjustly with or willfully deceiving a resident of this State in regard to any insurance contract;
- E.** Failure to pay over to an insurance company on request any money or property in his hands belonging to the company;
- F.** Using the license primarily for the purpose of procuring insurance contracts to indemnify him, a member of his family or an organization in which he or a member of his family has a pecuniary interest;
- G.** Holding a resident agent's or broker's license in this and any other state at the same time;
- H.** Becoming unfit for the position in any other way.

2. Notice and hearing. The commissioner may suspend, revoke or refuse to renew a license only after notice and public hearing. If, after hearing, the commissioner determines that the license should be suspended, revoked or should not be renewed, he shall give the agent, broker or adjuster a 10-day written notice of that fact. In case of the suspension, revocation or nonrenewal of an agent's license, the commissioner shall notify the companies which he represents of that fact at the same time the agent is notified.

1959, c. 346, § 13; c. 378, § 49.

§ 2520. Applicability of provisions

Sections 2503 to 2512, 2514 to 2517, 2519 and 2521 do not apply to life insurance agents. Sections 2501, 2502, 2513 and 2518 apply to life insurance agents to the extent they are not contrary to sections 2581 to 2596.

1959, c. 346, § 13.

§ 2521. Violations and penalties

The following violation and penalty provisions apply:

1. Acting as agent or broker without a license. If a person solicits, receives or forwards a risk or application for insurance to any insurance company or issues, negotiates or countersigns any insurance contract without having first obtained the proper license as an agent or broker, he shall be punished by a fine of

not more than \$500 or by imprisonment for not more than 90 days, or by both.

2. Acting as adjuster without a license. If a person adjusts a loss for any company without having first obtained an adjuster's license, unless exempted by section 2510, he shall be punished by a fine of not more than \$500 or by imprisonment for not more than 90 days, or by both.

3. Placing insurance in unauthorized companies. If a surplus line broker negotiates or acts in negotiating an insurance contract with an unauthorized insurance company and fails to perform the duties required by section 2515, or willfully or knowingly makes a false statement or affidavit in performing the duties of that section, he shall be punished by a fine of not more than \$500 or by imprisonment for not more than 90 days, or by both.

1959, c. 346, § 13.

§ 2522. Signatures of agents to be personal; exceptions

When this Title requires an insurance agent's signature or countersignature it must be written by the person of whom it is required. A rubber stamp or other facsimile may not be used.

1. Exception by power of attorney. The agent may grant a power of attorney to a person who is 21 years of age or over to sign insurance policies and endorsements for him, but he must first obtain the permission of the commissioner and of the proper official of the company which issues the policies or endorsements.

2. Exception for air travel accident insurance. This section shall not apply to air travel accident insurance issued through a dispensing machine as provided under section 803, subsection 1, paragraph A, subparagraph (8).

1959, c. 173.

SUBCHAPTER II

QUALIFICATION AND LICENSING OF LIFE AGENTS

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Sec.

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§ 2581. Life insurance agent defined

1. Life insurance agent. The term "life insurance agent" means any authorized or acknowledged agent of an insurer and any sub-agent of such agent, who acts as such in the solicitation of, negotiation for, or procurement or making of a life insurance or annuity contract, except that the term "life insurance agent" shall not include any regular salaried officer or employee of a licensed insurer or of a licensed life insurance agent, who does not solicit or accept from the public applications for any such contract. A regular salaried officer or employee of an insurer authorized to do business in this State shall not be deemed to be a "life insurance agent" by reason of rendering assistance to or on behalf of a licensed life insurance agent, provided such salaried officer or employee devotes substantially all of his time to activities other than the solicitation of applications for life insurance or annuity contracts and receives no commission or other compensation directly dependent upon the amount of business obtained.

2. Sub-agent. The term "sub-agent" means any person, except as provided in subsection 1, who acts for or on behalf of a licensed life insurance agent in the solicitation of, negotiation for, or procurement or making of a life insurance or annuity contract, whether or not he is designated by such agent as a sub-

agent or a solicitor or by any other title, including the members of a partnership and the officers, directors or stockholders of a corporation named in the license issued to a partnership or corporation. Each sub-agent shall be deemed to be a life insurance agent and wherever in sections 2582 to 2596, the term "life insurance agent" is used, it shall include sub-agents, whether or not they are specifically mentioned. Each such person shall individually file an application for license and submit to a written examination for applicants for a life insurance agent's license.

3. Residents; partnership or corporation. Any resident of this State or any partnership or corporation located in this State may be licensed as a life insurance agent upon compliance with sections 2581 to 2596 provided the articles of partnership or incorporation shall authorize the partnership or corporation applying for such license specifically to engage in such business. The application for a license by and the license issued to a partnership or corporation shall name the members of such partnership or the officers, directors or stockholders of such corporation who are authorized to act as agents thereunder, and no such license shall be issued unless and until the persons named in the application therefor have qualified for individual licenses.

R.S.1954, c. 60, § 278.

§ 2582. Rules and regulations

The commissioner is authorized to establish and from time to time to amend reasonable rules and regulations concerning all matters included in sections 2581 to 2596.

R.S.1954, c. 60, § 293.

§ 2583. Acting for unauthorized companies

1. With unauthorized insurer. No person, partnership or corporation shall, within this State, solicit, procure, receive or forward applications for life insurance or annuities, or issue or deliver policies for or in any manner secure, help or aid in the placing of any contract of life insurance or annuity for any person other than himself, directly or indirectly, with any insurer not authorized to do business in this State.

2. Liability for loss and premium taxes. Any person, partnership or corporation shall be liable, personally, for the full amount of any loss sustained on any contract of life insurance or annuity made by or through him or it, directly or indirectly, with any insurer not authorized to do business in this State and, in

addition, for any premium taxes which may become due under any law of this State by reason of such contract.

R.S.1954, c. 60, § 279.

§ 2584. Acting as agent without license; no commissions to unlicensed persons

1. **License.** No person, partnership or corporation shall act as a life insurance agent within this State until he shall have procured a license as required by the laws of this State.

2. **Commissions.** No insurer or licensed life insurance agent or insurance broker doing business in this State shall pay directly or indirectly any commission, brokerage or other valuable consideration to any person, partnership or corporation for services as a life insurance agent within this State, unless such person, partnership or corporation shall hold a current valid license to act as a life insurance agent or an insurance broker as required by the laws of this State; nor shall any person, partnership or corporation, other than a duly licensed life insurance agent or insurance broker, accept any such commission, brokerage or other valuable consideration. This section shall not prevent the payment or receipt of renewal or other deferred commissions to or by any person, partnership or corporation solely because such person, partnership or corporation has ceased to hold a license to act as a life insurance agent.

R.S.1954, c. 60, § 280.

§ 2585. Application for license

1. **Application.** Each applicant for a license to act as a life insurance agent within this State shall file with the commissioner his written application on forms furnished by the commissioner. The application shall be signed and duly sworn to by the applicant. The prescribed form shall require the applicant to state his full name, residence, age, occupation and place of business for 5 years preceding date of the application; whether applicant has ever held a license to solicit life or any other insurance in any state; whether he has been refused or has had suspended or revoked a license to solicit life or any other insurance in any state; what insurance experience, if any, he has had; what instruction in life insurance and in the insurance laws of this State he has had or expects to have; whether any insurer or general agent claims applicant is indebted under an agency contract or

otherwise, and if so, the name of the claimant, the nature of the claim and the applicant's defense thereto; whether applicant has had an agency contract canceled and, if so, when, by what company or general agent and the reasons therefor; whether applicant will devote all or part of his efforts to acting as a life insurance agent and, if part only, how much time he will devote to such work and in what other business or businesses he is engaged or employed; whether, if applicant is a married woman, her husband has ever applied for or held a license to solicit life or any other insurance in any state and whether such license has been refused, suspended or revoked; such other information as the commissioner in his discretion may require.

2. Certificate of insurer. The application shall be accompanied by a certificate on forms furnished by the commissioner and signed by an officer or properly authorized representative of the insurer, stating that the insurer has investigated the character and background of the applicant and is satisfied that he is trustworthy and qualified to act as its agent and to hold himself out in good faith to the general public as a life insurance agent, and that the insurer desires that the applicant be licensed as a life insurance agent to represent it in this State.

3. Application. The examination and license fees provided in section 371, subsections 5 and 7, apply to an applicant for a life insurance agent's license. (1959, c. 346, § 14.)

R.S.1954, c. 60, § 281; 1959, c. 346, § 14.

§ 2586. Examination of applicant

1. Written examination. Each applicant for a license to act as a life insurance agent within this State shall submit to a personal written examination to determine his competence with respect to life insurance and annuity contracts and his familiarity with the pertinent laws of this State and shall pass the same to the satisfaction of the commissioner; except that no such written examination shall be required of:

A. An applicant for a renewal license, unless the commissioner determines that such examination is necessary to establish the competency or trustworthiness of such individual; or unless a license had not been issued to such applicant within 2 years following the date of expiration of his previous license;

B. An applicant for an agent's license only for the sale of accident insurance covering travel risks as provided in section 2504, subsection 7, paragraph B;

C. In the discretion of the commissioner an applicant whose license to do business or act as a life insurance agent in this State was suspended less than one year prior to the date of application.

1959, c. 346, §§ 15, 16.

2. Rules and regulations. The commissioner may establish rules and regulations with respect to the scope, type and conduct of such written examinations and the times and places within this State where they shall be held. Applicants shall be permitted to take such examinations at least once in each week at the principal office of the commissioner.

3. Further examinations. No person who shall have taken and failed to pass 2 examinations given pursuant to this section shall be entitled to take any further examination until after the expiration of 6 months from the date of the last examination in which he failed. If such person shall thereafter fail to pass 2 or more such examinations, he shall not be eligible to take any further examination until after the expiration of one year from the date of his last unsuccessful examination. No examination fee shall be paid for a 2nd examination within any 6-month period.

4. Advisory board. The commissioner shall appoint an advisory board to make recommendations to him with respect to the scope, type and conduct of written examinations and the times and places within the State where they shall be held. This advisory board shall consist of citizens of this State experienced in the life insurance business and may include life insurance company officers and employees, general agents and managers and licensed life insurance agents. The members of the board shall serve without pay but, upon the authorization of the commissioner, shall be reimbursed for their reasonable expenses in attending meetings of the advisory board.

R.S.1954, c. 60, § 282; 1959, c. 346, §§ 15, 16.

§ 2587. Issuance or refusal of license

If the commissioner is satisfied that the applicant is trustworthy and competent and the applicant, if required, has passed his written examination, a license shall be issued forthwith, limited to the insurer and kind of insurance for which the agent is to be appointed. If the applicant has not passed his written examination, or for any of the reasons set forth in section 2593, the commissioner shall notify the applicant and the insurer in writing

that a license will not be issued to him. In any case where a license is applied for to represent an insurer authorized in this State to transact an accident and sickness as well as a life insurance business, the commissioner may issue a license authorizing the applicant to represent the insurer with respect to both types of business, provided the applicant, in addition to qualifying under sections 2581 to 2596, has satisfied the commissioner as required by the laws of this State and the regulations of the commissioner, if any, that he is competent to represent such insurer with respect to accident and sickness insurance.

R.S.1954, c. 60, § 283.

§ 2588. Nonresidents licensed

1. **Reciprocity.** A person not resident in this State may be licensed as a life insurance agent upon compliance with sections 2581 to 2596, provided the state in which such person resides will accord the same privilege to a citizen of this State.

2. **Reciprocal agreements.** The commissioner is authorized to enter into reciprocal agreements with the appropriate official of any other state waiving the written examination of any applicant resident in such other state, provided:

A. A written examination is required of applicants for a life insurance agent's license in such other state;

B. The appropriate official of such other state certifies that the applicant holds a currently valid license as a life insurance agent in such other state and either passed such written examination or was the holder of a life insurance agent's license prior to the time such written examination was required;

C. The applicant has no place of business within this State nor is an officer, director, stockholder or partner in any corporation or partnership doing business in this State as a life insurance agent;

D. In such other state, a resident of this State is privileged to procure a life insurance agent's license upon the foregoing conditions and without discrimination as to fees or otherwise in favor of the residents of such other state.

R.S.1954, c. 60, § 284.

§ 2589. Agents licensed to represent additional insurers

1. Additional license. Any life insurance agent licensed in this State may apply to the commissioner, at any time while his license is in force, for an additional license or licenses authorizing him to act as a life insurance agent for an additional insurer or insurers. Such application shall set forth each insurer which the applicant is then licensed to represent; a certificate from the insurer to be named in each additional license applied for that it desires to appoint the applicant as its agent; and such other information as the commissioner may require. Upon receipt of each such application the commissioner may issue such additional license without examination of or further investigation concerning the applicant. Any life insurer may file a request with the commissioner for notification that any life insurance agent authorized to represent it has been appointed to represent another life insurer. Pursuant to such request for notice, the commissioner shall notify such insurer of such additional appointments.

2. Risks placed by agents with other agents. Agents of duly authorized life insurance companies may place risks with agents of other duly authorized life insurance companies when necessary for the adequate insurance of persons or interests.

R.S.1954, c. 60, § 285.

§ 2590. Expiration and renewal of agent's license

1. Expiration. Each license issued to a life insurance agent shall expire on July 1st following the date of issue, unless prior thereto it is revoked or suspended by the commissioner or the authority of the agent to act for the insurer is terminated.

2. Renewals. In the absence of a contrary ruling by the commissioner, license renewals may be issued from year to year upon request of the insurer, without further action on the part of the agent.

3. Full or part time. Each request for renewal of license shall show whether the agent devotes all or part of his efforts to acting as a life insurance agent, and, if part only, how much time he devotes to such work and in what other business or businesses he is engaged or employed.

4. Current license in force. Upon the filing of a request for renewal of license and payment of the required fees prior to its date of expiration, the current license shall continue in force until the renewal license is issued by the commissioner or until

the commissioner has refused for cause to issue such renewal license, as provided in section 2593, and has given notice of such refusal in writing to the insurer and the agent.

R.S.1954, c. 60, § 286.

§ 2591. Temporary license in case of death

The commissioner, if he is satisfied with the honesty and trustworthiness of the applicant, may issue a temporary life insurance agent's license without requiring the applicant to pass a written examination, as follows:

1. **Executor or administrator.** To the executor or administrator of the estate of a deceased person who at the time of his death was a licensed life insurance agent;

2. **Next of kin.** To a surviving next of kin of such a deceased person, if no administrator or executor has been appointed and qualified, but any license issued under this subsection shall be revoked upon issuance of a license to an executor or administrator under subsection 1;

3. **Expiration.** A license issued under this section may be effective for not more than 6 months, and it may not be renewed. (1959, c. 346, § 17.)

R.S.1954, c. 60, § 287; 1959, c. 346, § 17.

§ 2592. Company to notify commissioner of termination of contract; communications privileged

1. **Termination of contract.** Every insurer shall, upon termination of the appointment of any life insurance agent, immediately file with the commissioner a statement of the facts relative to the termination of the appointment and the date and cause thereof. The commissioner shall thereupon terminate the license of such agent to represent such insurer in this State.

2. **Privileged communication.** Any information, document, record or statement required to be made or disclosed to the commissioner pursuant to this section shall be deemed a privileged communication and shall not be used as evidence in any court action or proceeding.

R.S.1954, c. 60, § 288.

§ 2593. Refusal, suspension or revocation of license

1. Reasons. A license may be refused or a license duly issued may be suspended or revoked or the renewal thereof refused by the commissioner if, after notice and hearing, he finds that the applicant for or holder of such license:

A. Has willfully violated any provision of the insurance laws of this State; or

B. Has intentionally made a material misstatement in the application for such license; or

C. Has obtained, or attempted to obtain, such license by fraud or misrepresentation; or

D. Has misappropriated or converted to his own use or illegally withheld money belonging to an insurer or an insured or beneficiary; or

E. Has otherwise demonstrated lack of trustworthiness or competence to act as a life insurance agent; or

F. Has been guilty of fraudulent or dishonest practices; or

G. Has materially misrepresented the terms and conditions of life insurance policies or contracts; or

H. Has made or issued, or caused to be made or issued, any statement misrepresenting or making incomplete comparisons regarding the terms or conditions of any life insurance or annuity contract legally issued by any insurer, for the purpose of inducing or attempting to induce the owner of such contract to forfeit or surrender such contract or allow it to lapse for the purpose of replacing such contract with another; or

I. Has obtained or attempted to obtain such license, not for the purpose of holding himself out to the general public as a life insurance agent, but primarily for the purpose of soliciting, negotiating or procuring life insurance or annuity contracts covering himself or members of his family, or the officers, directors, stockholders, partners, employees or debtors of a partnership, association or corporation of which he or a member of his family is an officer, director, stockholder, partner or employee.

2. Hearing. Before any license shall be refused, except for failure to pass a required written examination, or suspended or revoked, or the renewal thereof refused hereunder, the commis-

sioner shall give at least 14 days' notice of his intention to do so to the applicant for or holder of such license and the insurer whom he represents or who desires that he be licensed, and shall set a date when the applicant or licensee may appear to be heard and produce evidence. In the conduct of such hearing, the commissioner, or any regular salaried state employee specially designated by him for such purpose, shall have power to administer oaths, to require the appearance of, and to examine any person under oath, and to require the production of books, records or papers relevant to the inquiry upon his own initiative or upon the request of the applicant or licensee. Upon termination of such hearing, findings shall be reduced to writing and, upon approval by the commissioner, shall be filed in his office and notice of the findings sent by registered mail to the applicant or licensee and the insurer concerned.

3. Application after revocation. No licensee whose license has been revoked shall be entitled to file another application for a license as a life insurance agent within one year from the effective date of such revocation or, if judicial review of such revocation is sought, within one year from the date of final court order or decree affirming such revocation. Such application, when filed, may be refused by the commissioner unless the applicant shows good cause why the revocation of his license shall not be deemed a bar to the issuance of a new license.

R.S.1954, c. 60, § 289.

§ 2594. Change of address of agent

Every licensed life insurance agent shall inform the commissioner promptly in writing of a change of his principal business address.

R.S.1954, c. 60, § 291.

§ 2595. Appeals

Any person aggrieved by an act of the commissioner under sections 2581 to 2596 may appeal therefrom within 30 days after receipt of notice thereof to any court of competent jurisdiction. Thereafter, such proceeding shall proceed as in the case of any other civil cause.

R.S.1954, c. 60, § 290.

§ 2596. Penalties

Any person, partnership, association or corporation violating any of the provisions of sections 2581 to 2596 and 2906 shall, in addition to any other penalty specifically provided, be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than \$500 or by imprisonment for not more than 6 months, or by both, each such violation being a separate offense. In addition, if such offender holds a license as a life insurance agent, such license may be suspended or revoked as provided.

R.S.1954, c. 60, § 292.

§ 2597. Discrimination or rebates on premiums for fire or liability insurance

No insurance company transacting fire or liability insurance in this State and no agent or broker transacting fire or liability insurance, either personally or by any other party, shall offer, promise, allow, give, set off or pay, directly or indirectly, as an inducement to fire or liability insurance on any risk in this State, now or hereafter to be written, any rebate of or part of the premium payable on any policy or of the agent's commission thereon; nor shall any such company, agent or broker, personally or otherwise, offer, promise, allow, give, set off or pay, directly or indirectly, as an inducement to such fire or liability insurance, any earning, profit, dividends or other benefit founded, arising, accruing or to accrue on such insurance, or therefrom, or other valuable consideration, or any special favor which is not specified, promised or provided for in the policy of insurance; nor shall any such company, agent or broker, personally or otherwise, offer, promise, give or sell as an inducement to such insurance any stocks, bonds, securities or property, or any dividends or profits accruing or to accrue thereon, nor, except as specified in the policy, offer, promise or give any other thing of value whatsoever, or purchase any stocks, bonds, securities or other property for which shall be paid or agreed to be paid more than the fair and reasonable value thereof.

Any insurance company, agent or broker who violates any provision of this section shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$100 for each and every violation or, in the discretion of the court, by imprisonment for not more than 6 months. The commissioner may revoke the license of any company, agent or broker violating this section.

R.S.1954, c. 60, § 298.

§ 2598. Transactions between companies or agents lawful; dividends to policyholders

Section 2597 shall not prevent any insurance company from paying to another insurance company or to any duly authorized agent or broker of this or any other state who holds himself out and carries on an insurance business in good faith as such, or prevent an insurance company, agent or broker from receiving a commission on any policy under which it, itself or he, himself is insured or any mutual company from paying dividends duly earned to policyholders.

R.S.1954, c. 60, § 299.

§ 2599. Person deemed agent; notice binding

An agent authorized by an insurance company, whose name is borne on the policy, is its agent in all matters of insurance. Any notice required to be given to said company or any of its officers, by the insured, may be given to such agent.

R.S.1954, c. 60, § 300.