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An Act To Amend Certain Requirements Applicable to Insurance Producers

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

Sec. 1. 24-A MRSA §1410, sub-§4, as enacted by PL 2001, c. 259, §11, is repealed.

Sec. 2. 24-A MRSA §1420-E, sub-§1, ¶C, as enacted by PL 2001, c. 259, §24, is repealed.

Sec. 3. 24-A MRSA §1420-F, sub-§1, ¶L, as enacted by PL 2001, c. 259, §24, is repealed and the following enacted in its place:

L. Insurance offered, sold or solicited in connection with and incidental to the rental of rental cars for a period of no more than 60 days, whether at the rental office or by preselection of coverage in master, corporate, group or individual agreements, that is nontransferable, applies only to the rental car that is the subject of the rental agreement and is limited to the following kinds of insurance:

(1) Personal accident insurance for renters and other rental car occupants for accidental death or dismemberment and for medical expenses resulting from an accident that occurs with the rental car during the rental period;

(2) Liability insurance that provides protection to the renters and other authorized drivers of a rental car for liability arising from the operation or use of the rental car during the rental period;

(3) Personal effects insurance that provides coverage to renters and other vehicle occupants for loss of, or damage to, personal effects in the rental car during the rental period;

(4) Roadside assistance and emergency sickness protection insurance; and

(5) Any other coverage designated by the superintendent.

Sec. 4. 24-A MRSA §1420-H, as enacted by PL 2001, c. 259, §24, is amended to read:

§ 1420-H. Exemption from examination

1. Exemption. An individual who applies for an insurance producer license in this State who was previously licensed for the same lines of authority in another state is not required to complete any ~~prelicensing education or~~ examination pursuant to section 1410. This exemption is only available if the person is currently licensed in that state or if the application is received within 90 days of the cancellation of the applicant's previous license and if the prior state issues a certification that, at the time

of cancellation, the applicant was in good standing in that state, or the state's producer database records, maintained by the National Association of Insurance Commissioners, its affiliates or subsidiaries or any successor organization, indicate that the producer is or was licensed in good standing for the line of authority requested.

2. Application. A person licensed as an insurance producer in another state who moves to this State shall make application within 90 days of establishing legal residence to become a resident licensee pursuant to section 1420-E. ~~Prelicensing education or~~ An examination pursuant to section 1410 is not required of that person to obtain any line of authority previously held in the prior state except when the superintendent determines otherwise by rule. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter ~~H-A2-A~~.

3. Additional exemptions. An examination is also not required of:

A. An applicant for a license covering the same kind or kinds of insurance for which the applicant was licensed under a similar license in this State within the past 2 years, other than a temporary license issued pursuant to section 1420-J. This exemption applies only to persons who have met the applicable continuing education requirements during the 2-year period, who voluntarily terminated their previous license and who continue to be fully qualified for the license. A person whose previous license was revoked or suspended may not become relicensed pursuant to this paragraph;

B. An applicant for a license as a limited insurance producer who solicits or sells travel and baggage insurance;

C. An applicant for a license as a resident title insurance producer who is an attorney at law duly licensed to practice law in this State;

D. An applicant for a license as a limited insurance producer who solicits or sells mechanical breakdown insurance; or

E. An applicant for a license as a limited insurance producer employed by a motor vehicle rental company who solicits or sells ~~liability~~ insurance in connection with and incidental to the rental of a motor vehicle for a period not to exceed 60 days in accordance with section 1420-F, subsection 1, paragraph L.

Sec. 5. 24-A MRSA §2015, as amended by PL 1997, c. 592, §61, is further amended to read:

§ 2015. Record of procured coverages

1. Each producer shall keep in the producer's office ~~in this State~~ a full and true record of each surplus lines coverage procured by the producer, including a copy of each daily report, if any, a copy of each certificate of insurance issued, books of account in which financial entries are recorded respecting these transactions and such of the following items as may be applicable:

A. Amount of the insurance;

B. Gross premium charged;

- C. Return premium paid, if any;
- D. Rate of premium charged upon the several items of property;
- E. Effective date of the contract and the terms of the contract;
- F. Name and address of each insurer on the direct risk and the proportion of the entire risk assumed by such insurer, if less than the entire risk;
- G. Name and address of the insured;
- H. Brief general description of the property or risk insured and where located or to be performed; and
- I. Other information as may be required by the superintendent.

2. The record may not be removed from this State, ~~except in the case of a nonresident licensed as a resident producer with surplus lines authority for the purpose of transacting liability insurance business on behalf of a registered purchasing group, and in the case of both resident and nonresident licensees~~ must be made available and open to examination by the superintendent at all times within 5 years after issuance of the coverage to which it relates. For the purpose of investigation or examination by the superintendent, records may be maintained in electronic form.

Sec. 6. 24-A MRSA §2016, sub-§1, as amended by PL 1997, c. 660, Pt. B, §3, is further amended to read:

1. Each producer with surplus lines authority shall maintain in the producer's office ~~within the State~~ a monthly report showing the amount of insurance placed for any person or organization, the location of each risk, the gross premium charged, the name of each insurer with which the insurance was placed, the date and term of each insurance contract issued during the preceding month and any other pertinent information required by the superintendent. The report must show in the same detail each contract cancelled during the month covered by the report and the return premium on it. The monthly report must be made available to the superintendent for examination at the producer's office location ~~in the State~~ at any time or by delivery to the bureau upon 5 days' notice by the superintendent.

SUMMARY

This bill makes the following changes to the laws applicable to insurance producers:

1. It eliminates the preclicensing requirement under which potential license applicants were required to complete either a course of instruction or comply with an experience requirement before being able to sit for the qualifying license examination;
2. It expands the scope of the limited producer license for certain insurance provided in connection with the short-term rental of motor vehicles; and
3. It clarifies that nonresident producers with surplus lines authority are not required to maintain a physical office within this State.

All of these changes are intended to establish consistency with current national uniformity standards.