**§2168. Coercion in requiring insurance**

**1. Prohibition against certain requirements.**  A person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property may not require, as a condition to the financing or lending, or as a condition to the renewal or extension of any such loan or to the performance of any other act in connection with the financing or lending, that the purchaser or borrower, or the successors of the purchaser or borrower negotiate through a particular insurer or insurers, insurance agent or agents, broker or brokers, type of insurer or types of insurers, any policy of insurance or renewal thereof issued in connection with the extension of credit. For purposes of this section, the term "policy" includes, but is not limited to, any temporary contract or binder, by whatever name known, under the terms of which insurance coverage commences at a specified time, and continues until a finished policy is issued or the risk is declined and coverage is terminated.

[PL 1997, c. 315, §21 (AMD).]

**1-A. Prohibition against unreasonable burdens.**  A creditor or lender may not, in connection with the extension of credit, interfere with the free choice of a borrower or purchaser under subsection 1 by imposing any unreasonable time or burden on an insurance agent or broker not affiliated with the lender or creditor that is not also imposed on an insurance agent or broker who is affiliated with the lender or creditor. "Affiliate" has the same meaning as set forth in section 1443‑A, subsection 1, paragraph A with respect to financial institutions and credit unions and in Title 9‑A, section 4‑403, with respect to supervised lenders.

[PL 1999, c. 127, Pt. A, §39 (AMD).]

**2. Approval of insurer; written criteria.**  This section does not prevent the exercise by any lender or creditor of its right to approve the insurer selected by the borrower on a reasonable nondiscriminatory basis related to the solvency and assessment policies of the insurer and its ability to service the policy. A lender or creditor who exercises its rights under this subsection shall establish written criteria for approving the insurer selected by the borrower and in the event the creditor or lender actually denies an insurer under that criteria the lender or creditor must provide verbal notice to the customer within 3 business days and written notice within 10 business days. Upon request by a licensed insurer, agent, broker or consultant, a customer, a lender or creditor must within 10 business days of receiving the request provide a copy of its written criteria for approving an insurer.

[PL 1997, c. 315, §23 (AMD).]

**2-B. Change of insurance carrier.**  A purchaser or borrower may change insurance carriers in connection with the extension of credit by a lender or creditor if the change does not violate a condition of the extension of credit regarding adequacy of coverage or other proper basis under subsection 2 or is otherwise prohibited by law.

[PL 1997, c. 315, §24 (NEW).]

**3. Violation.**  A person who violates this section commits a civil violation and is subject to civil penalties and other remedies as provided in section 12‑A. The Superior Court, on complaint by any person that this section is being violated, may issue an injunction against the violation and may hold in contempt and punish therefor in case of disregard of the injunction.

[PL 2001, c. 421, Pt. B, §90 (AMD); PL 2001, c. 421, Pt. C, §1 (AFF).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 1983, c. 394, §4 (AMD). PL 1997, c. 315, §§21-24 (AMD). PL 1999, c. 127, §A39 (AMD). PL 2001, c. 421, §B90 (AMD). PL 2001, c. 421, §C1 (AFF).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1. 2023
. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.