

§417. Suspension or revocation of certificate of authority; discretionary and special grounds

1. Notwithstanding Title 4, chapter 5 and Title 5, section 10051, the superintendent may refuse to continue or may suspend or revoke an insurer's certificate of authority if the superintendent finds, after a hearing thereon or upon waiver of hearing by the insurer, that the insurer has violated or failed to comply with any lawful order of the superintendent, or has willfully violated or willfully failed to comply with any lawful rule of the superintendent, or has violated any provision of this Title other than those for violation of which suspension or revocation is mandatory.

[PL 1999, c. 547, Pt. B, §45 (AMD); PL 1999, c. 547, Pt. B, §80 (AFF).]

2. The superintendent shall suspend or revoke an insurer's certificate of authority on any of the following grounds, if the superintendent finds after a hearing held in conformity with Title 5, chapter 375, subchapter 4 that the insurer:

A. Is in unsound condition, or is being fraudulently conducted, or is in such condition or using such methods and practices in the conduct of its business as to render its further transaction of insurance in this State currently or prospectively hazardous or injurious to policyholders or to the public; [PL 1983, c. 419, §2 (AMD).]

B. With such frequency as to indicate its general business practice in this State, has without just cause failed to pay, or delayed payment of, claims arising under its policies, whether the claim is in favor of an insured or is in favor of a 3rd person; or, with like frequency, without just cause compels insureds or claimants to accept less than the amount due them or to employ attorneys or to bring suit against the insurer or an insured to secure full payment or settlement of such claims; [RR 2021, c. 1, Pt. B, §181 (COR).]

C. Refuses to be examined, or if its directors, officers, employees or representatives refuse to submit to examination relative to its affairs, or to produce its accounts, records and files for examination by the superintendent when required, or refuse to perform any legal obligation relative to the examination; or [PL 1973, c. 585, §12 (AMD).]

D. Has failed to pay any final judgment rendered against it in this State upon any policy, bond, recognizance or undertaking as issued or guaranteed by it, within 30 days after the judgment became final or within 30 days after dismissal of an appeal before final determination, whichever date is the later. [PL 1969, c. 132, §1 (NEW).]

[RR 2021, c. 1, Pt. B, §181 (COR).]

3. Notwithstanding Title 4, chapter 5 and Title 5, section 10051, the superintendent may, without notice or a hearing thereon, immediately suspend the certificate of authority of any insurer as to which proceedings for receivership, conservatorship, rehabilitation or other delinquency proceedings have been commenced against the insurer in any state by the public official charged with supervising the insurance industry in that state. Upon suspending a certificate of authority under this subsection, the superintendent shall promptly schedule a hearing on the matter, to be held within 30 days of the suspension. The superintendent shall make a determination within 30 days after the conclusion of that hearing.

[PL 1999, c. 547, Pt. B, §45 (AMD); PL 1999, c. 547, Pt. B, §80 (AFF).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 1977, c. 694, §§401-403 (AMD). PL 1983, c. 419, §2 (AMD). PL 1999, c. 547, §B45 (AMD). PL 1999, c. 547, §B80 (AFF). RR 2021, c. 1, Pt. B, §181 (COR).

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