

## 129th MAINE LEGISLATURE

## **SECOND REGULAR SESSION-2020**

**Legislative Document** 

No. 1866

S.P. 638

In Senate, December 23, 2019

An Act To Increase the Automatic Draft Authority for Licensed Insurance Producers

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 19, 2019. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator FOLEY of York. Cosponsored by Representative SAMPSON of Alfred and

Senators: SANBORN, H. of Cumberland, WOODSOME of York, Representatives: BLIER of Buxton, HARRINGTON of Sanford, MORRIS of Turner, PRESCOTT of Waterboro, TEPLER of Topsham.

<b>Emergency preamble. Whereas,</b> acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
Whereas, this legislation must take effect before the end of the 90-day period to address, as soon as possible, the increased frequency of severe weather occurrences between December and April and the resulting property damage claims; and
<b>Whereas,</b> in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now therefore,
Be it enacted by the People of the State of Maine as follows:
<b>Sec. 1. 24-A MRSA §1402, sub-§1, ¶C,</b> as enacted by PL 1997, c. 457, §23 and affected by §55, is amended to read:
C. Licensed producers authorized by contract to settle and pay claims within a specified limit established by the insurer or fraternal benefit society not to exceed \$5,000 \$10,000 or, temporarily in the event of a severe weather occurrence, \$20,000;
<b>Emergency clause.</b> In view of the emergency cited in the preamble, this legislation takes effect when approved.
SUMMARY
This bill increases the standard automatic draft authority for licensed insurance producers from \$5,000 to \$10,000 and allows for a temporary increase of \$20,000 in the event of a severe weather occurrence.