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

Emergency preamble. Whereas, 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

Whereas, 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:

Sec. 1. 24-A MRSA §1402, sub-§1, ¶C, 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;

Emergency clause. 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.