

An Act to Establish an Apprentice Insurance Producer License

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

Sec. 1. 24-A MRSA §601, sub-§5, ¶F, as amended by PL 2011, c. 238, Pt. H, §1, is further amended by amending the 2nd blocked paragraph to read:

Biennial fee for appointment, each insurer, health maintenance organization, fraternal benefit society, nonprofit hospital or medical service organization, viatical settlement provider or risk retention group, \$30; and

Sec. 2. 24-A MRSA §601, sub-§5, ¶G, as amended by PL 2011, c. 238, Pt. H, §2, is further amended by amending the 2nd blocked paragraph to read:

Biennial fee for appointment, each insurer, health maintenance organization, fraternal benefit society, nonprofit hospital or medical service organization, viatical settlement provider or risk retention group, \$70-; and

Sec. 3. 24-A MRSA §601, sub-§5, ¶I is enacted to read:

I. Issuance fee for apprentice insurance producer license, \$100;

Biennial fee, \$100.

NOTE: 24-A MRSA §601, sub-§5, ¶A Resident Producer fee is \$30; and this sets an Apprentice biennial fee at \$100? Apprentices are at the lower income level of an office. Maybe the committee should reexamine this fee schedule addition?

Sec. 4. 24-A MRSA §1411, sub-§1, as amended by PL 2001, c. 259, §12, is further amended to read:

1. Producer. A person may not act as or purport to be an insurance producer or, limited insurance producer or apprentice insurance producer or engage in producer activities with respect to insurance risks resident, located or to be performed in this State or elsewhere for any kind or kinds of insurance unless licensed for such a kind or kinds in accordance with subchapter H-A 2-A.

Sec. 5. 24-A MRSA §1420-H, sub-§3, ¶E, as amended by PL 2015, c. 77, §6, is further amended to read:

E. An applicant for a license as a limited insurance producer employed by a motor vehicle rental company who solicits or sells 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; or

Sec. 6. 24-A MRSA §1420-H, sub-§3, ¶F, as enacted by PL 2015, c. 77, §7, is amended to read:

F. An applicant for a license as a limited insurance producer employed by an equipment rental company who solicits or sells insurance in connection with and incidental to the rental of covered rental equipment in accordance with section 1420-F, subsection 1, paragraph M-; or

Sec. 7. 24-A MRSA §1420-H, sub-§3, ¶G is enacted to read:

G. An applicant for a license as an apprentice insurance producer in accordance with section 1420-Q.

Sec. 8. 24-A MRSA §1420-Q is enacted to read:

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§1420-Q. Apprentice insurance producer license

1. **License authorized.** The superintendent may issue an apprentice insurance producer license in accordance with this subsection without requiring an examination. An individual applying for a license as an apprentice insurance producer shall apply to the superintendent in the form and manner determined by the superintendent and declare under penalty of refusal, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the individual's knowledge and belief. Before approving an application and issuing a license, the superintendent must find that the individual:

NOTE: Since examination is waived, Superintendent shall require completion of 6 hours of Ethics Education within the first 90 days of licensing, or prior to licensing, and require full compliance of **24-A MRSA §1482 Education requirements** for each biennial cycle.

A. Is at least 18 years of age;

B. Has a high school diploma or its equivalent;

C. Is employed by a licensed insurance producer who has certified to the superintendent that the licensed insurance producer will supervise the apprentice insurance producer licensee and will assume responsibility for all acts of the apprentice insurance producer licensee for a period not to exceed 10,000 hours; and

NOTE: instead of the multiple 10,000 hours benchmarks (almost 5 years) – why not limit this to two biennial licensing cycles? 10,000 hours puts the Apprentice Producer and Bureau in the middle of the licensing biennium.

Also, as a benchmark of the assumed responsibility, require the “Supervising Licensed Producer” add the “Apprentice Producer” to their **Errors and Omissions and General Liability Insurance policies** as an additional named insured and provide Certificates of Coverage to Superintendent prior to licensure and at policy renewal.

D. Has paid any required fees set forth in section 601.

2. Limitations. The superintendent may limit the issuance of apprentice insurance producer licenses to no more than 2 apprentice licenses per licensed insurance producer. The superintendent may limit the authority of an apprentice insurance producer licensee in any way determined necessary to protect insureds and the public and may by order revoke an apprentice insurance producer license if the interest of insureds or the public is endangered.

3. Renewal. After having completed 10,000 hours as an apprentice insurance producer, an apprentice insurance producer licensee may not renew the license or engage in any insurance activities without obtaining an insurance producer license in accordance with the requirements of this subchapter.

4. Legal responsibility. The licensed insurance producer who employs an apprentice insurance producer licensee assumes all legal responsibility for all acts of the apprentice insurance producer licensee who is employed by the licensed insurance producer.

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SUMMARY

This bill establishes an apprentice insurance producer license.

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