

Bulletin 234

Requirements for bond forms

August 23, 1994

Public Law Chapter 637, effective April 7, 1994, amends Title 24-A M.R.S.A. § 3105 and repeals Title 24-A M.R.S.A. § 413(12). Under section 413(12), the Superintendent was required to maintain a listing of all individuals authorized to issue surety bonds. The Superintendent will no longer be maintaining the list. Section 3105 sets forth the circumstances under which an insurer authorized to issue surety bonds is estopped from denying liability.

Section 3105 now requires that all surety bonds issued in the State of Maine include evidence that the individual signing the bond has the authority to do so. Surety bonds issued in the State of Maine must include a "power of attorney" form unless signed by an officer of the company. Because the Insurance Code does not automatically grant authority to officers to issue bonds, all bonds signed by an officer of the company must include a resolution of the Board of Directors or other independent evidence showing that the issuing officer has the authority to issue the bond.

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Superintendent of Insurance

NOTE: This bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties or privileges nor is it intended to provide legal advice. Readers are encouraged to consult applicable statutes and regulations and to contact the Bureau of Insurance if additional information is needed.