

Bulletin 271

Responsibility for Training and Supervision of Producers

Pursuant to Public Law Chapter 457, effective October 1, 1997, an insurer, health maintenance organization, fraternal benefit society, or nonprofit hospital and medical service organization, ("carrier") authorized to do business in Maine must comply with Title 24-A M.R.S.A. § 1445. This section sets forth requirements for training and supervision of appointed producers.

Every carrier must ensure that all appointed producers have adequate training to sell the insurance products being marketed and must provide supervision of the producers who sell its products. A carrier must appoint any producer that, on a regular basis, normally places business with the company. A carrier may not avoid appointing a producer and may not avoid responsibility for compliance with section 1445 by doing business with a producer that has the independent producer authority. The independent producer authority merely allows a producer, when necessary to cover a risk in Maine, to occasionally place coverage with an insurer with whom he or she does not have an appointment.

A carrier is responsible for injuries to consumers resulting from the actions of appointed producers to the extent of restitution, reimbursement of money or payment of interest to the consumer. Pursuant to Title 24-A M.R.S.A. § 12-A, the Superintendent may bring an action against a carrier to enforce this provision. A carrier is accountable for the actions of its producers, and the Superintendent may bring an action to penalize the carrier pursuant to Title 24-A.

Dated: September 30, 1997 _____

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Acting Superintendent of Insurance

Note: This bulletin is intended solely for informational purposes. It is not intended to establish legal rights, duties or privileges, nor is it intended to provide legal advice. Readers are encouraged to consult applicable statutes and to contact the Bureau if they need additional information.