



## STATE OF MAINE Bureau of Insurance

34 State House Station  
Augusta, ME 04333-0034

### POSSIBLE ADDITIONAL LICENSES REQUIRED FOR THIRD PARTY ADMINISTRATORS

#### If a Third Party Administrator:

1. *is involved in **any manner** in a sale (i.e. solicits and/or negotiates to consumers/employers, receives override commissions), the TPA must obtain a producer agency license (Title 24-A M.R.S.A. §1402 (3) and §1413 (1)) in addition to its TPA license, and each individual engaging in producer activity (see page 2) must have either a resident or nonresident producer license (Title 24-A M.R.S.A. §1402 (5) and §1411 (1)).*
2. *solicits, negotiates or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of an insurer, the TPA must be licensed as a Reinsurance Intermediary-Broker (Title 24-A M.R.S.A. § 741 (6) and § 742).*
3. *has authority to bind or manage all or part of the assumed reinsurance business of a reinsurer, and acts as an agent for the reinsurer, the TPA must obtain a Reinsurance Intermediary-Manager license (Title 24-A M.R.S.A. § 741 (7) and § 742).*
4. *negotiates and binds ceding reinsurance contracts on behalf of an insurer or produces, and underwrites, directly or indirectly, an amount of gross written premium which constitutes 5% or more of the policyholder surplus in any one quarter, the TPA may be required to register as a Managing General Agent ((Title 24-A M.R.S.A. §1492 (3) and §1493).*
5. *adjusts workers' compensation claims, each individual actually doing the adjusting must have a valid resident or nonresident adjuster license (Title 24-A M.R.S.A. § 1402 (1) and §1411 (2)). The TPA license fulfills the adjuster agency licensing requirement.*
6. *adjusts property and/or casualty claims, the TPA must be licensed as an adjuster agency (Title 24-A M.R.S.A. § 1402 (3) and §1413 (1) and each individual actually doing the adjusting must have a valid resident or nonresident adjuster license (Title 24-A M.R.S.A. § 1402 (1) and §1411 (2)).*
7. *performs utilization review services, the TPA must be licensed as a Medical Utilization Review Entity (Title 24-A M.R.S.A., Ch 32, § 2771 et seq.). Contact our Consumer Health Care Division at 207-624-8475.*
8. *performs utilization review services for workers' compensation claims, the TPA must register with the Maine Workers' Compensation Board. Contact Kimberlee Barriere at 207-441-9082.*

Should the determination be made that your entity needs to apply for a Reinsurance Intermediary Broker license or Reinsurance Intermediary-Manager license you may contact Kevin Maroon at 207-624-8443; or to register as a MGA, you may contact Kevin Maroon at 207-624-8443. For information concerning the licensing of an adjuster, producer, or agency please call Debra Ayotte at 207-624-8413.

## ***“Producer Activities”***

“Insurance producer activities” means, with respect to insurance risks residing, located or to be performed in this State, to solicit, take application for, negotiate, effect, procure, deliver, renew, bind or receive commissions for policies of insurance issue by insurers, certificates of insurance under approved group policies, automobile mechanical breakdown contracts if the contracts are issued or backed by an insurer; or certificates of policies issued by health maintenance organizations or nonprofit hospital or medical service organizations.

A license as an insurance producer is not required of any salaried employee in the office of an insurance producer who performs only clerical or administrative services, subject to the following:

1. The unlicensed employee may not engage in producer activities:
2. The unlicensed employee may not receive any commissions or other compensation directly dependent upon the amount of business obtained. Employees may participate in profit-sharing arrangements, pension plans and bonuses offered by the insurer or agency;
3. The unlicensed employee may occasionally take information incidental to insurance coverage for applications. Unlicensed personnel who take incidental information from a customer shall give the proposed insured the name of the licensed insurance producer who is responsible for obtaining the coverage and shall refer any information the unlicensed person receives to the licensed insurance producer; and
4. The primary contact must be between a prospective insured and an insurance producer.