

BULLETIN 380

Repeal of Independent Producer License Authority

The Independent Producer license authority for insurance producers has been repealed effective September 28, 2011.¹ The purpose of this Bulletin is to explain how this affects licensed producers, and to clarify when an appointment by the insurer is required.

When Maine revised its producer licensing system in 1997, certain features of the former "broker" license category were retained in modified form. These have now been repealed. As of September 28, no separate "independent producer" authority will be required, and there will be no additional appointment requirements beyond the requirement set forth in the Maine Producer Licensing Act,² at 24-A M.R.S.A. §1420-M(1):

An insurance producer may not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.

With the repeal of the earlier laws governing "independent producers," the following standards will now apply to all producers, as of September 28, 2011:

- A producer acting in the traditional capacity of agent for an insurer needs to be appointed.
- No appointment is required when a producer represents the insured and is not acting as an agent of the insurer.
- No additional license authority will be required in order to represent the insured, beyond the substantive license authority for the kind of insurance the insured is purchasing. Licensees who previously held independent Producer authority will still have it reflected on their license records for historical purposes only.

¹ P.L. 2011 ch. 238 (L.D. 1551), Part H.

² 24-A M.R.S.A. Chapter 16, Subchapter 2-A (§§ 1420 through 1420-P), based on the NAIC model act, and reflecting uniform standards that have been adopted by most states.

August 17, 2011

Eric A. Cioppa
Acting 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 should consult applicable statutes and rules and contact the Bureau of Insurance if additional information is needed.