

ATTORNEY GENERAL TOM REILLY WARNS CONSUMERS

AGAINST UNLICENSED BOAT INSURANCE

Attorney General Tom Reilly is warning boat owners against buying watercraft insurance from two companies not licensed to sell insurance in Massachusetts or any other state.

Insurance regulators in several states, including Florida, Louisiana, Alaska, Washington, Ohio, Oregon, Texas and Massachusetts, have issued cease and desist orders against North American Marine General Insurance Company of Panama City, Panama and the International Water Safety Foundation of Quebec, Canada to stop them from marketing illegal boat insurance.

Attorney General Reilly has also sued a Boston insurance agency that sold North American Marine and International Water Safety Foundation policies to area boat owners. Under Massachusetts law, insurance agents and brokers are liable for any consumer insurance claims when the agents sell consumers policies issued by unlicensed companies

Massachusetts law requires insurance companies to be licensed in order to do business in the state.

To become licensed, insurance companies must first show that they have sufficient financial resources to pay consumer claims, that they are properly incorporated and that the company's insurance policies comply with state law.

Consumers who buy insurance from an unlicensed company may run into serious problems when they submit a claim. Despite faithfully paying premiums, consumers can face claim denials again and again.

Consumers can take steps to prevent becoming victims of unscrupulous insurance companies. Before buying a new policy from an insurance company, it is important to verify that the company is licensed in Massachusetts. To find out if a company is properly licensed, contact the Massachusetts Division of Insurance at 617-521-7777 and ask to speak to someone in the licensing section. Consumers should also be wary of insurance solicitations that come in the mail, by fax or on the Internet.

Consumers who have concerns about the legitimacy of an insurance company or need help with claims should contact Attorney General Reilly's toll-free Insurance Hotline at 888-830-6277.