

CHAPTER 6

Violations and Penalties

SECTIONS

§ 601. Investigation of illegal insurance business; Penalties.

§ 602. General penalties.

Editor's note: Section 53 of PL 14-66 enacted new chapter 6 of this title entitled Violations and Penalties.

§ 601. Investigation of illegal insurance business; Penalties.

(1) Where the Insurance Board has reason to believe that a person is engaging in insurance business without a license in violation of this subtitle, it may cause an examination of the books, accounts and records of such a person to determine if this is the case. The Insurance Board may apply to the Supreme Court for a warrant to enter any premises belonging to or in the control of such a person and remove any document, material or other thing therein for the purposes in the warrant.

(2) A person doing insurance business without a license in violation of this subtitle shall be subject to a fine of not more than \$50,000 and shall be required to repay any funds obtained as a result of such insurance business. A failure to cease doing insurance business as directed by the Commissioner shall be considered a new violation and subject to an additional fine.

Source: PL 14-66 § 59/54; PL 14-87 § 26 (renumbered section 701 as 601).

Cross-reference: The statutory provisions on the FSM Supreme Court are found in title 4 of this code. The statutory provisions on Judicial Procedures are found in title 6 of this code.

Editor's note: PL 14-66 contained overlapping section numbers by repeating section numbers 22-26. The first section number in the source of this section represents what the correct section number should have been and the second section number represents the actual section number in PL 14-66.

PL 14-66 § 59/54 originally numbered this section as 701; this was corrected by PL 14-87 § 26.

§ 602. General penalties.

(1) For any violation of this subtitle, including violation of the regulations, conditions of license imposed by

the Commissioner, or orders issued by the Commissioner, the license holder shall be subject to an administrative penalty of not more than \$5,000 and if the violation is a continuing one, to a further penalty not exceeding \$1,000 for every day during which the violation continues; and, in the case of a material violation, to the cancellation of its license, in addition to any other penalty prescribed by law. The Commissioner shall impose the administrative penalty by issuing an order subject to appeal and enforcement under chapter 2 of this subtitle.

(2) Any person who violates any provision of this subtitle or of any regulations shall be guilty of an offence and, where no specific criminal penalty is otherwise provided in this subtitle, shall be liable on conviction in a court of law, if the offender is an individual, to a fine of \$25,000 or to imprisonment for not more than six months, or to both such fine and imprisonment, or if the offender is not an individual, to a fine of \$50,000.

(3) Where any offense under this subtitle is proved to have been committed with the consent of, or to be attributable to the negligence of, an officer, the officer shall be deemed to be guilty of that offense and shall be subject to the same penalty.

Source: PL 14-66 § 61/56; PL 14-87 § 27.

Editor's note: PL 14-66 contained overlapping section numbers by repeating section numbers 22-26. The first section number in the source of this section represents what the correct section number should have been and the second section number represents the actual section number in PL 14-66.