

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND EIGHTEENTH LEGISLATURE**

**SECOND REGULAR SESSION**  
**January 7, 1998 to March 31, 1998**

**SECOND SPECIAL SESSION**  
**April 1, 1998 to April 9, 1998**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JUNE 30, 1998**

**SECOND SPECIAL SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 9, 1998**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1997**

reimbursement or cost-of-living increases to the joint standing committee of the Legislature having jurisdiction over health and human services matters by January 1, 1999.

**Sec. 6. Supplemental budget request.** The Department of Mental Health, Mental Retardation and Substance Abuse Services shall request funding in its 2000-2001 supplemental budget request to fund the cost-based reimbursement or cost-of-living salary increase for direct care workers employed by community mental retardation services providers, other than intermediate care facilities, at the amount recommended in the department's January 1, 1999 report to the joint standing committee of the Legislature having jurisdiction over health and human services matters.

See title page for effective date.

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## CHAPTER 779

H.P. 1553 - L.D. 2182

### An Act to Create the Crime of Insurance Fraud and Require Reporting of Convictions to Licensing Authorities

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 17-A MRSA §354-A** is enacted to read:

**§354-A. Insurance deception**

1. A person is guilty of theft if that person obtains or exercises control over property of another as a result of insurance deception and with an intention to deprive the owner thereof.

2. For purposes of this section, insurance deception occurs when a person intentionally makes a misrepresentation or written false statement that the person does not believe to be true relating to a material fact to any person engaged in the business of insurance concerning any of the following:

A. An application for the issuance or renewal of an insurance policy;

B. The rating of an insurance policy;

C. Payment made in accordance with an insurance policy;

D. A claim for payment or benefit pursuant to an insurance policy; or

E. Premiums paid on an insurance policy.

3. It is no defense to a prosecution under this section that the deception related to a matter that was of no pecuniary significance or that the person deceived acted unreasonably in relying on the deception.

**Sec. 2. 17-A MRSA §901-A** is enacted to read:

**§901-A. Deceptive insurance practices**

1. A person is guilty of deceptive insurance practices if in the course of engaging in the business of insurance that person intentionally makes a false statement with respect to a material fact concerning, or intentionally materially alters, any of the following:

A. A document filed with the Superintendent of Insurance or the insurance regulatory official or agency of another jurisdiction with respect to:

(1) The financial condition of an insurer;

(2) The formation, acquisition, merger, consolidation, dissolution or withdrawal from one or more lines of insurance in all or part of this State by an insurer;

(3) The issuance of written evidence of insurance; or

(4) The reinstatement of an insurance policy;

B. A document submitted by an insured, claimant or applicant to an insurer, insurance producer or other person; or

C. A document or report filed with a law enforcement agency.

2. A person is guilty of deceptive insurance practices if in the course of engaging in the business of insurance that person intentionally does any of the following:

A. Transacts the business of insurance in this State without proper licensure, certification or authorization;

B. Destroys, conceals, removes or otherwise impairs the verity or availability of any records of an insurer with the intent to deceive; or

C. Solicits or accepts new or renewal insurance risks on behalf of an insurer or the person engaged in the business of insurance by a person who knows or should know that the insurer or other person responsible for the risk is insolvent at the time of the transaction.

3. Deceptive insurance practices is a Class D crime.

See title page for effective date.

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**CHAPTER 780**

**S.P. 836 - L.D. 2242**

**An Act to Enter into the Emergency Management Assistance Compact**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 5 MRSA §1513, sub-§1-I**, as enacted by PL 1997, c. 565, §1, is amended to read:

**1-I. Transfer from Maine Rainy Day Fund; disaster assistance.** Notwithstanding subsection 2 and section 1585, an amount not to exceed \$5,000,000 \$8,000,000 in fiscal year 1997-98 may be transferred from the available balance in the Maine Rainy Day Fund to the "Administration - Maine Emergency Management Agency" program in the Department of Defense, Veterans and Emergency Management to be made available by financial order upon the recommendation of the State Budget Officer and approval of the Governor to be used as the State's matching share for disaster assistance associated with the ice storms of 1998.

**Sec. 2. 37-B MRSA c. 16** is enacted to read:

**CHAPTER 16**

**EMERGENCY MANAGEMENT ASSISTANCE COMPACT**

**§921. Purpose and authorities--Article I**

The emergency management assistance compact, referred to in this chapter as the "compact," is made and entered into by and between the participating member states that enact this compact, referred to in this chapter as "party states." For the purposes of this agreement, the term "states" means the several states, the Commonwealth of Puerto Rico, the District of Columbia and all U.S. territorial possessions.

The purpose of this compact is to provide for mutual assistance between the states entering into this compact in managing any emergency or disaster that is duly declared by the governor of the affected state or states, whether arising from natural disaster, technological hazard, man-made disaster, civil emergency aspects of resources shortages, community disorders, insurgency or enemy attack.

This compact also provides for mutual cooperation in emergency related exercises, testing or other training activities using equipment and personnel simulating performance of any aspect of the giving and receiving of aid by party states or subdivisions of party states during emergencies, with such actions occurring outside actual declared emergency periods. Mutual assistance in this compact may include the use of the states' National Guard forces, either in accordance with the National Guard Mutual Assistance Compact or by mutual agreement between states.

**§922. General implementation--Article II**

Each party state entering into this compact recognizes that many emergencies transcend political jurisdictional boundaries and that intergovernmental coordination is essential in managing these and other emergencies under this compact. Each state further recognizes that there will be emergencies that require immediate access and present procedures to apply outside resources to make a prompt and effective response to such an emergency because few, if any, individual states have all the resources they need in all types of emergencies or the capability of delivering resources to areas where emergencies exist.

The prompt, full and effective utilization of resources of the participating states, including any resources on hand or available from the Federal Government or any other source that are essential to the safety, care and welfare of the people in the event of any emergency or disaster declared by a party state, must be the underlying principle on which all articles of this compact are understood.

On behalf of the governor of each state participating in the compact, the legally designated state official who is assigned responsibility for emergency management is responsible for formulation of the appropriate interstate mutual aid plans and procedures necessary to implement this compact.

**§923. Party state responsibilities--Article III**

**1. Formulate plans and programs.** It is the responsibility of each party state to formulate procedural plans and programs for interstate cooperation in the performance of the responsibilities listed in this section. In formulating such plans, and in carrying them out, the party states, to the extent practical, shall:

**A. Review individual state hazards analyses and, to the extent reasonably possible, determine all those potential emergencies the party states might jointly suffer, whether due to natural disaster, technological hazard, man-made disaster, emergency aspects of resource shortages, civil disorders, insurgency or enemy attack;**