

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 809

S. P. 260

In Senate, February 2, 1965

Referred to Committee on Business Legislation. Sent down for concurrence and ordered printed.

EDWIN H. PERT, Secretary

Presented by Senator Snow of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

AN ACT to Incorporate the Maine Dental Service Corporation.

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

Sec. 1. Corporators; incorporation. Alva S. Appleby of Skowhegan, Edward Y. Blewett of Portland, Alonzo H. Garcelon of Augusta, Glen R. Hansen of Portland, Raymond E. Jensen of Portland, Edward S. Kierstead of Waterville, William Kierstead of Waterville, Ira K. Tarbell of Houlton or such of them as may vote to accept this charter with their associates, successors and assigns, are hereby made a body corporate to be known as the Maine Dental Service Corporation.

Sec. 2. Location. The corporation shall be located at Portland, in the County of Cumberland and State of Maine.

Sec. 3. Purposes. To establish, maintain and operate nonprofit dental service plans, whereby dental care may be provided by dentists or groups of dentists with which this corporation has a contract for such purpose, to such persons or groups of persons as become subscribers to said plan under a contract which entitles each subscriber to certain dental care, and the dentist or dentists so contracting with this corporation shall be governed by this section and shall be exempt from all other provisions of the insurance laws of this State, unless otherwise specifically provided herein. In order to maintain and operate such plans, the corporation may act either in the capacity of principal or agent of other non-profit service corporations, or insurance companies authorized to do business in the State of Maine.

Sec. 4. First meeting; how called. Any 3 of the corporators named in this act may call the first meeting of the corporation by mailing a written notice

signed by 3 incorporators, postage prepaid, to each of the other incorporators 5 days at least before the day of the meeting, naming the time, place and purpose of such meeting; and at such meeting such officers may be chosen and such business may be transacted as shall be specified in the call for such meeting.

Sec. 5. May enact bylaws. Said corporation shall enact such bylaws and make amendment thereto from time to time as shall be desirable for the orderly conduct of its business, shall elect a president, a treasurer and a clerk and shall establish such additional offices and elect such additional officers as it shall deem desirable to effectuate its corporate purposes.

Sec. 6. Board of directors. The board of directors of this corporation shall consist of not less than 9 nor more than 21 members; at least a majority of the directors must be at all times dentists who are members of the Maine Dental Association.

Sec. 7. Qualifications. This corporation may qualify to establish, maintain and operate nonprofit dental service plans when and at such time as formal certificate or license has been authorized and granted by the Insurance Commissioner of the State of Maine. Application for such certificate of authority or license shall be made on forms to comply with the ruling of the Insurance Commissioner, containing such information as he shall deem necessary. This application for certificate or license shall be accompanied by copies of the following documents: certified copy of bylaws; certified copy of proposed contract between this corporation and participating dentists showing terms under which dental service is to be furnished to subscribers; certified copy of contracts to be issued to subscribers showing a table of the rates to be charged and the benefits to which they are entitled; and a financial statement certified to by the treasurer of this corporation.

After such qualification, the Insurance Commissioner shall annually issue a certificate of authority or license upon being satisfied on the following points:

1. That this applicant is established as a bona fide nonprofit dental service plan.
2. That the rates charged and benefits to be provided are fair and reasonable.
3. That contributions to the working funds of the corporation are repayable only out of earned premiums over and above operating expenses, payments to participating dentists and such reserve as found adequate.
4. That the amount of money actually available for working capital be sufficient to carry all acquisition costs and operating expenses for a reasonable period of time from the date of the issuance of the certificate.

Sec. 8. Participating dentists; obligation. This corporation may enter into contracts for the rendering of dental care to the subscribers only with dentists duly licensed to practice dentistry in the several states.

Sec. 9. Choice of dentist; provision for dental care. The private dentist-patient relationship shall be maintained under all dental service contracts. The subscriber shall at all times have free choice of a dentist or dentists and parti-

icipating dentists shall have the right to refuse to treat any subscriber for appropriate professional reasons. The provision for dental care, or dental expense indemnity, shall be based upon definite agreements covering dental care provided through duly licensed dentists in their offices, in hospitals, and in the home, and for necessary appliances, drugs, medicines and supplies. Dental services shall not be construed to include hospital or medical services.

Sec. 10. Additional coverage. The corporation shall have the right to issue a contract or contracts or certificate or certificates on a non-profit basis under which it assumes liability for the whole or part of expenses incurred by a subscriber as a result of injury or disease not covered by this corporation's regular contracts for dental service, if such liability is fully reinsured by an insurance company authorized to transact such business in the State of Maine.

Sec. 11. Contracts with other corporations. This corporation may contract with any similar corporation in this or other states for the joint administration of their business and may enter into reciprocal arrangements for the mutual benefit of their subscribers.

Sec. 12. Governmental contracts. The corporation shall have the right to utilize its organization and facilities to perform services for the United States or State of Maine Governments or the units or agencies of either.

Sec. 13. Merger or consolidation. The corporation may sell, lease, pledge, assign, mortgage, or otherwise dispose of the whole or any part of its property, franchises, permits, rights and privileges to any other corporation authorized to do a similar business, or may merge or consolidate with such corporation; and it may buy or otherwise acquire the rights, permits, privileges, franchises or property of any person, partnership or corporation which may be desirable in the conduct of the business.

Sec. 14. Reports. After qualification prescribed by section 7, the corporation shall annually on the first day of April file a statement verified by at least two of the principal officers of said corporation showing its condition on the 31st day of December then next preceding, which shall be in such form and shall contain such matters as the Insurance Commissioner shall prescribe.

Sec. 15. Visitation. The Insurance Commissioner, or any deputy or examiner or other person whom he shall appoint shall have the power of visitation and examination and free access to all the books, papers and documents that relate to any dental service plan operated or maintained by this corporation, and may summon and qualify witnesses under oath to examine its officers, agents or employees or other persons in relation to the affairs, transactions and conditions of the corporation.

Sec. 16. Investments. This corporation shall be restricted in its investments in the same manner as are savings banks in this State.

Sec. 17. Disputes. Any dispute arising between this corporation and any dentist with which the corporation has a contract for dental service may be submitted to the Insurance Commissioner for his decision with respect thereto. Any decision and findings of the Insurance Commissioner made under the pro-

visions of this section shall not be any bar to constituted legal procedure for the review of such proceedings in a court of competent jurisdiction.

Sec. 18. Limitation of actions. No civil action based upon or arising out of a dentist-patient relationship shall be maintained against this corporation.

Sec. 19. Dissolution. Any dissolution of this corporation shall be conducted under the supervision of the Insurance Commissioner who shall have all power with respect thereto granted to him under the provisions of law with respect to the dissolution and liquidation of insurance companies.

Sec. 20. Taxation. This corporation is hereby declared to be a charitable and benevolent institution, and its funds and property shall be exempt from taxation.