

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1434

H.P. 989

House of Representatives, April 4, 1991

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative GARLAND of Bangor.

Cosponsored by Senator BRAWN of Knox, Senator THERIAULT of Aroostook and Representative PINEAU of Jay.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Amend the Law Regarding Assessment of Insurers and License Fees under the Insurance Law.

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

2
3 Sec. 1. 24 MRSA §2332, first ¶, as enacted by PL 1985, c. 446,
4 §1, is amended to read:

6 ~~There shall be an assessment levied annually by the~~ The
7 Superintendent of Insurance shall levy an assessment annually
8 upon nonprofit hospital or medical service organizations and
9 nonprofit health care plans licensed to do business in this State
10 in proportion to their respective subscription income derived
11 from business operations in this State during the year ending
12 December 31st immediately preceding the fiscal year for which
13 assessment is made. The annual assessment upon all hospital or
14 medical service organizations and health care plans shall must be
15 applied to the budget of the bureau for the fiscal year
16 commencing July 1st. ~~The~~ For any biennial period, total
17 assessment shall must be in an amount not exceeding .00015 of
18 subscription income. When the superintendent calculates the
19 amount of the annual assessment, he ~~the~~ superintendent shall
20 consider, among other factors, the staffing level required to
21 administer the nonprofit health care regulatory program of the
22 bureau.

24 Sec. 2. 24 MRSA §2332, sub-§§4 and 5, as enacted by PL 1985, c.
25 446, §1, are amended to read:

26
27 4. Notification of assessment. On or before ~~April-30th~~
28 July 1st of each year, the superintendent shall notify each
29 nonprofit hospital or medical service organization and health
30 care plan of the assessment due.

32 5. Time of payment. Payment shall must be made on or
33 before ~~June-1st~~ August 10th.

34 Sec. 3. 24-A MRSA §237, first ¶, as enacted by PL 1985, c. 446,
35 §2, is amended to read:

38 The expense of maintaining the Bureau of Insurance shall
39 must be assessed annually by the Superintendent of Insurance
40 against all insurers licensed to do business in this State in
41 proportion to their respective direct gross premium written on
42 business in this State during the year ending December 31st
43 immediately preceding the fiscal year for which assessment is
44 made. The annual assessment upon all insurers shall must be
45 applied to the budget of the bureau for the fiscal year
46 commencing July 1st. ~~The~~ For any biennial period, total
47 assessment shall must be in an amount not exceeding .0015 of
48 total direct premiums written. When the superintendent
49 calculates the amount of the annual assessment, he ~~shall~~ the
50 superintendent must consider, among other factors, the staffing
51 level required to administer the responsibilities of the bureau.

2 **Sec. 4. 24-A MRSA §237, sub-§§4 and 5**, as enacted by PL 1985,
c. 446, §2, are amended to read:

4 **4. Notification of assessment.** On or before ~~April-20th~~
5 July 1st of each year, the superintendent shall notify each
6 insurer of the assessment due. When an extension of the time of
7 filing an annual statement is granted for good cause by the
8 superintendent pursuant to section 423, subsection 1, the insurer
9 shall must be assessed a provisional amount of \$100. Upon
10 receipt of the insurer's annual statement, the provisional
11 assessment shall must be adjusted to effect a final assessment
12 for the fiscal year at the same rate utilized by the
13 superintendent and which was levied upon all insurers by the
14 general assessment of ~~April-20th~~ July 1st.

16 **5. Time of payment.** Payment shall must be made on or
17 before ~~June-1st~~ August 10th.

18 **Sec. 5. 24-A MRSA §601**, as amended by PL 1989, c. 846, Pt. D,
19 §1, and affected by Pt. E, §4, is further amended to read:

22 **§601. Fee schedule**

24 The superintendent shall collect in advance, and persons so
25 served shall pay to the superintendent, fees, licenses and
26 miscellaneous charges as follows: .

28 **1. Certificate of authority.** Insurer's certificate of
authority, fees are:

30 A. For filing application for initial certificate of
31 authority, including all documents submitted as part of the
32 application. If an applicant requests deferral and new data
33 filings respecting the application are required, a fee in
34 equal amount shall ~~be~~ is required upon the filing of the new
35 information \$750 \$1,000;

38 B. Issuance, and each biennial continuation \$200; and

40 C. Reinstatement, under section 415 \$350.

42 **2. Charter documents, other than those filed with**
43 **application for certificate of authority.** ~~Charter--documents,~~
44 ~~other--than--these--filed--with--application--for--certificate--of~~
45 ~~authority.~~ Filing amendments to certificate of organization,
46 articles or certificate of incorporation, charter, bylaws, power
47 of attorney, as to reciprocal insurers, and other constituent
48 documents of the insurer, each document \$5 \$25;

50 **3. Annual statement.** Filing annual statement of insurer,
51 payable annually. \$50 \$100;

52

2	4. <u>Process. Service of process, fees are:</u>	
	Acceptance of service of process	\$5 \$25;
4	5. <u>Agents. Agents' licenses and appointments, fees are:</u>	
6	A. Issuance fee for original resident agent license	\$20 \$30;
8		
10	B. Appointment of resident agent, each insurer	\$20 \$30;
12	Biennial continuation of appointment	
14	Each domestic mutual nonlife insurer	\$12 \$16;
16	Each other insurer	\$20 \$30;
18	C. Temporary license	\$5;
20	D. Limited license (section 1531)	\$20 \$30;
22	E. Issuance fee for original nonresident agent license	\$40 \$50;
24		
26	Appointment of such agent, each insurer	\$40 \$50; and
28	Biennial continuation of appointment, each insurer	\$40 \$50.
30		
32	6. <u>Brokers. Broker licenses, fees are:</u>	
34	A. Issuance fee for original resident broker license	\$70;
36	Biennial continuation	\$70;
38	B. Issuance fee for original nonresident broker license	\$150;
40		
42	Biennial continuation	\$150;
44	C. Issuance fee for original surplus lines broker license	\$100 \$150; and
46	Biennial continuation	\$100 \$150.
48	7. <u>Consultants. Consultant license, fees are:</u>	
50	A. Resident consultant, application for original license and issuance, if issued	\$50;
52		

2	Biennial continuation	\$50;
4	B. Nonresident consultant, application for original license and issuance, if issued	\$100; and
6	Biennial continuation	\$100.
8	8. Adjusters. Adjuster license- <u>fees are:</u>	
10	A. Issuance fee for original resident adjuster license	\$20;
12	Biennial continuation	\$20;
14	B. Issuance fee for original nonresident adjuster license	\$40;
16	Biennial continuation	\$40; and
18	C. Temporary license	\$5.
20	9. Examination. Examination for license- <u>fees are:</u>	
22	Filing application for each examination, other than consultants	\$15; and
24	Consultants, filing application, each examination	\$25.
26	10. Vending machines. Insurance vending machines- <u>fees are:</u>	
28	Filing application for license and issuance, if issued, each machine	\$100; and
30	Biennial continuation of license, each machine	\$100.
32	11. Rating organizations. Rating organizations- <u>fees are:</u>	
34	License fee	\$50 \$100; and
36	Biennial continuation of license	\$100 \$200.
38	12. Road or tourist service. Road or tourist service license- <u>fees are:</u>	
40	<u>Issuance fee for original certificate of authority</u>	\$300;
42	Biennial continuation	\$40 \$70; and
44	Agent license, biennial continuation	\$4 \$10.
46		
48		
50		
52		

2 13. Copies of certificates. Certified copy of insurer
certificate of authority or other license issued under this
Title \$2 \$10.

4
6 14. Copies of other documents. Copies of other documents
on file in the bureau: Reasonable reasonable charge as fixed by
the superintendent; and for certifying and fixing
8 official seal \$1 \$10

10 16. Self-insurance authorization. Fees applicable to each
self-insurer, individual or group, seeking authorization or
12 authorized to operate a workers' compensation self-insurance
plan. :

14
16 A. For filing application for initial authorization,
including all documents submitted as part of the
application \$300 \$1,000;

18 B. Authorization and each annual continuation 100 \$300; and

20 C. Filing yearly report of self-insurer 50 \$100.

22
24 If a self-insurer terminates its the plan or otherwise does not
continue to self-insure, the fee applicable to filing of yearly
26 reports shall must apply to that period in which the making of
these reports is mandated.

28 17. Rules, rates and forms filings. Rate filings, rating
rules filings, insurance policy, forms, riders, endorsements and
30 certificate filings \$10 \$20.

32 18. Third-party administrators. Third-party administrators
license- fees are:

34 A. Application fee \$15 \$50; and

36 B. Annual fee \$50 \$100.

38
40 19. Purchasing group registrations. Purchasing group
registration fees are:

42 A. Registration fee \$50; and

44 B. Annual fee \$100.

46 20. Preferred provider organization. Preferred provider
organization fees are:

48 A. Application fee \$50; and

50 B. Annual fee \$100.

52

2 **Sec. 6. 39 MRSA §29, sub-§§4 to 7, as enacted by PL 1985, c.**
446, §5, are amended to read:

4 **4. Notification of assessment.** On or before ~~April-1st~~ July
6 1st, next following receipt of the report from the Maine
Self-Insurance Guarantee Association, the Superintendent of
Insurance shall notify each self-insurer of the assessment due.

8 **5. Time of payment.** Payment shall ~~must~~ must be made on or
10 before ~~June-1st~~ August 10th.

12 **6. Revocation or termination.** If the assessment is not
14 paid on or before ~~June-1st~~ the prescribed date, the right of any
individual or group to continue the option of self-insurance may
be revoked or terminated by the Superintendent of Insurance.

16 **7. Recalculation of assessment.** Immediately following the
18 close of the fiscal year ending June 30, 1987, and at the close
of each 2nd succeeding fiscal year ~~thereafter~~, the Superintendent
20 of Insurance shall recalculate the assessment upon each
self-insurer subject to this section. If, in any instance, any
22 assessment paid under this section is based in whole or in part
upon annual standard premium estimated in the calendar year
24 utilized for assessment purposes, the recalculation shall ~~shall~~ must
recognize actual audited annual standard premium, as available,
26 for each affected self-insurer. Actual expenditures of the
Bureau of Insurance during the preceding fiscal year shall ~~shall~~ must
28 also be recognized. On or before October 1st, the Superintendent
of Insurance shall render to each self-insurer a statement
30 showing the difference between ~~their~~ the self-insurer's
respective recalculated assessment and the amount they paid
32 during the preceding ~~fiscal-year~~ biennium. Any overpayment of
annual assessment resulting from complying with the requirements
34 of this section shall ~~shall~~ must be refunded or, at the option of the
assessed party, applied as a credit against the assessment for
36 the succeeding fiscal year. Any overpayment of \$100 or less
shall ~~shall~~ must be applied as a credit against the assessment for the
38 succeeding fiscal year.

40

STATEMENT OF FACT

42

44 Current law requires the Bureau of Insurance to notify each
insurer, self-insurer or nonprofit hospital or medical service
46 organization of the assessment due on or before April 20th of
each year. However, all fiscal requirements mandated by the
Legislature are not known by that date. This bill changes the
48 notification date from April 20th to July 1st so that accurate
assessments can be made in a timely fashion.

50

52 The bill also clarifies current law to allow the cap on the
assessment to be calculated for the biennial period. Currently,

2 because revenues from licensing fees are much greater in the
first year of the biennial period, the cap may be exceeded during
the 2nd year but is below the cap in the first year.

4
6 The bill also makes the recalculation assessment provision
for self-insurers consistent with the assessment provisions for
other insurers, adjusts the license fee schedules to be
8 consistent with other states and adjusts for an anticipated drop
in revenues.