

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE

ONE HUNDRED AND TENTH LEGISLATURE

FIRST REGULAR SESSION
December 3, 1980 to June 19, 1981

AND AT THE

FIRST SPECIAL SESSION
August 3, 1981

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PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

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ONE HUNDRED AND TENTH LEGISLATURE

1981

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

5 MRSA § 1121, sub-§ 1, ¶ A, as amended by PL 1969, c. 590, § 4-A, is further amended by adding, at the end, a new sentence to read:

Any member, who at the attainment of age 60 is in service, may retire at any time then or thereafter on a service retirement allowance, provided that the member has been in service for a minimum of one year immediately prior to retirement, upon written application to the board of trustees setting forth at what time he desires to be retired.

Effective September 18, 1981

CHAPTER 147

S. P. 154 — L. D. 362

AN ACT to Amend the Group and Blanket Health Insurance Law.

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

Sec. 1. 24-A MRSA § 2803, as enacted by PL 1969, c. 132, § 1, is repealed and the following enacted in its place:

§ 2803. Requirements

No policy of group health insurance may be delivered in this State unless it conforms to one of the descriptions set forth in sections 2804 to 2809.

Sec. 2. 24-A MRSA § 2804, as amended by PL 1969, c. 177, § 49, is repealed and the following enacted in its place:

§ 2804. Employee groups

A group of individuals may be insured under a policy issued to an employer or to the trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements.

1. The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof. The policy may provide that the term "employees" includes the employees of one or more subsidiary corporations and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the employer and of the affiliated corporations, proprietorships or partnerships is under common control. The policy may provide that the term

“employees” includes the individual proprietor or partners if the employer is an individual proprietorship or partnership. The policy may provide that the term “employees” includes retired employees and directors of a corporate employer. A policy issued to insure the employees of a public body may provide that the term “employees” includes elected or appointed officials.

2. The premium for the policy shall be paid either from the employer’s funds or from funds contributed by the insured employees, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, except those who reject such coverage in writing.

3. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 3. 24-A MRSA § 2805, as enacted by PL 1969, c. 132, § 1, is repealed and the following enacted in its place:

§ 2805. Labor union groups

A group of individuals may be insured under a policy issued to a labor union or similar employee organization, which shall be deemed to be the policyholder, to insure members of that union or organization for the benefit of persons other than the union or organization or any of its officials, representatives or agents, subject to the following requirements.

1. The members eligible for insurance under the policy shall be all of the members of the union or organization or all of any class or classes thereof.

2. The premium for the policy shall be paid either from funds of the union or organization, or from funds contributed by the insured members specifically for their insurance, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, except those who reject such coverage in writing.

3. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 4. 24-A MRSA § 2805-A is enacted to read:

§ 2805-A. Association groups

A group of individuals may be insured under a policy issued to an association or to a trust or to the trustee or trustees of a fund established, created or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum of 50 persons; shall have been organized and maintained in good faith for purposes other than that of obtaining insurance; shall have been in active existence for at least 2 years; and shall have

a constitution and bylaws which provides that: The association or associations hold regular meetings not less than annually to further purposes of the members; except for credit unions, the association or associations collect dues or solicit contributions from members; and the members have voting privileges and representation on the governing board and committees. The policy is subject to the following requirements.

1. The policy may insure members of the association or associations, employees thereof or employees of members or one or more of the preceding or all of any class or classes thereof for the benefit of persons other than the employees' employer.

2. The premium for the policy shall be paid from funds contributed by the association or associations or by employer members, or by both, or from funds contributed by the covered persons or from both the covered persons and the association, associations or employer members.

3. Except as provided in subsection 4, a policy on which no part of the premium is to be derived from funds contributed by the covered persons specifically for their insurance must insure all eligible persons, except those who reject that coverage in writing.

4. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 5. 24-A MRSA § 2806, as last amended by PL 1977, c. 655, § 2, is repealed and the following enacted in its place:

§ 2806. Trustee groups

A group of individuals may be insured under a policy issued to a trust or to the trustee or trustees of a fund established by 2 or more employers, or by one or more labor unions or similar employee organizations, or by one or more employers and one or more labor unions or similar employee organizations, which trust or trustee or trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions or organizations for the benefit of persons other than the employers or the unions or organizations, subject to the following requirements.

1. The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions or organizations, or all of any class or classes thereof. The policy may provide that the term "employees" includes retired employees, the individual proprietor or partners if an employer is an individual proprietorship or a partnership and directors of a corporate employer. The policy may provide that the term "employees" includes the trustees or their employees, or both, if their duties are principally connected with that trusteeship.

2. The premium for the policy shall be paid from funds contributed by the employer or employers of the insured persons or by the union or unions or similar

employee organizations, or by both, or from funds contributed by the insured persons or from both the insured persons and the employer or union or similar employee organization. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance must insure all eligible persons, except those who reject such coverage in writing.

3. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 6. 24-A MRSA § 2807, as amended by PL 1979, c. 127, § 156-A, is further amended to read:

§ 2807. Debtor groups

A group of individuals may be insured under a policy issued to a creditor, or its parent holding company or to a trustee or trustees or agent designated by 2 or more creditors, which creditor, holding company, affiliate, trustee, trustees or agent shall be deemed the policyholder, ~~insuring a group of~~ to insure debtors of the creditor or a group of debtors of the 2 or more creditors, as the case may be, all as defined and set forth under section 2604, provided that the amount of indemnity payable with respect to any person insured thereunder shall not at any time exceed the aggregate of the periodic scheduled unpaid installments, including, with respect to mortgage indebtedness, such real estate taxes and insurance costs incident to the mortgaged property as may become due during the scheduled period and provided that nothing in this paragraph shall be construed or deemed to apply to or affect disability benefit provisions in group credit life insurance policies as authorized under section 2604.

Sec. 7. 24-A MRSA § 2807-A is enacted to read:

§ 2807-A. Credit union groups

A group of individuals may be insured under a policy issued to a credit union or to a trustee or trustees or agent designated by 2 or more credit unions, which credit union, trustee, trustees or agent is considered the policyholder, to insure members of the credit union or credit unions for the benefit of persons other than the credit union or credit unions, trustee or trustees or agent or any of their officials, subject to the following requirements.

1. The members eligible for insurance are all of the members of the credit union or credit unions or all of any class or classes thereof.

2. The premium for the policy shall be paid either from funds of the credit union or from funds contributed by the insured members specifically for their insurance, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, except those who reject the coverage in writing.

3. An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 8. 24-A MRSA § 2808, as amended by PL 1973, c. 585, § 12, is repealed and the following enacted in its place:

§ 2808. Other groups

Group health insurance offered to a resident of this State under a group health insurance policy issued to a group other than one described in sections 2804 to 2807-A is subject to the following requirements.

1. No group health insurance policy may be delivered in this State unless the superintendent finds that:

- A. The issuance of the group policy is not contrary to the best interest of the public;
- B. The issuance of the group policy would be actuarially sound;
- C. The issuance of the group policy would result in economics of acquisition or administration; and
- D. The benefits are reasonable in relation to the premiums charged.

2. No group health insurance coverage may be offered in this State by an insurer under a policy issued in another state, unless this State or another state having requirements substantially similar to those contained in subsection 1, paragraphs A, B, C and D has made a determination that these requirements have been met. Notwithstanding the fact that a determination has been made, the superintendent may at any time schedule a hearing in accordance with the provisions of sections 229 to 236 to determine whether the requirements have been met. If, after hearing, the superintendent finds that a policy fails to meet one or more of the requirements set forth in subsection 1, he may order the insurer to cease and desist from further solicitation of participation under the policy until such time as the policy has been found by the superintendent to be in compliance with all the requirements.

3. The premium for the policy shall be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both.

4. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 9. 24-A MRSA § 2809, sub-§ 1, as enacted by PL 1969, c. 132, § 1, is amended to read:

1. Any policy of group health insurance issued pursuant to sections 2804 (employee groups), 2805 (~~union and employee association groups~~) (labor union

groups), 2805-A (association groups), 2806 (trustee groups), 2807-A (credit union groups) or 2808 (other groups) may include coverage for members of the family or dependents of individuals otherwise insured in such groups.

Effective September 18, 1981

CHAPTER 148

H. P. 334 — L. D. 373

AN ACT to Exempt Deeds of Distribution from the Real Estate Transfer Tax.

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

Sec. 1. 36 MRSA § 4641-C, sub-§ 8, as enacted by PL 1977, c. 318, § 1, is amended to read:

8. **Deeds by subsidiary corporation.** Deeds made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock; ~~and~~

Sec. 2. 36 MRSA § 4641-C, sub-§ 10, as enacted by PL 1977, c. 394, is amended to read:

10. **Deeds by parent corporation.** Deeds made by a parent corporation to its subsidiary corporation for no consideration other than shares of stock of the subsidiary corporation; ~~and~~

Sec. 3. 36 MRSA § 4641-C, sub-§ 11 is enacted to read:

11. **Deeds of distribution.** Deeds of distribution made pursuant to Title 18-A.

Effective September 18, 1981

CHAPTER 149

H. P. 354 — L. D. 402

AN ACT Relating to Unemployment Compensation Benefits for Persons Receiving a Pension or Retirement Pay.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and