

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

December 7, 1988 to July 1, 1989

Chapters 1 - 502

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
SEPTEMBER 30, 1989

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

J.S. McCarthy Company
Augusta, Maine
1989

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

of the
ONE HUNDRED AND FOURTEENTH LEGISLATURE

1989

takes effect, shall be issued a warning that a violation of this section has occurred.

4. **Penalty.** Following the initial 6-month warning period, violation of this section is a civil violation for which a forfeiture of \$25 for the first violation and \$50 for each subsequent violation may be adjudged.

5. **Failure to secure child; use as evidence.** Failure to secure a child, in accordance with this section, may not be considered negligence imputable to the child, nor may that failure be admissible as evidence in any civil or criminal action.

See title page for effective date.

CHAPTER 351

S.P. 203 - L.D. 481

An Act to Amend the Maine Insurance Code

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

Sec. 1. 24-A MRSA §2302, sub-§1, ¶C, as amended by PL 1973, c. 585, §12, is further amended to read:

C. Property, marine and inland marine insurance on risks located in this State. Inland marine insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the superintendent, or as established by general custom of the business, as inland marine insurance; and

Sec. 2. 24-A MRSA §2302, sub-§1, ¶D is enacted to read:

D. Title insurance.

Sec. 3. 24-A MRSA §2302, sub-§2, ¶E, as enacted by PL 1969, c. 132, §1, is amended to read:

E. Life insurance; or

Sec. 4. 24-A MRSA §2302, sub-§2, ¶F, as enacted by PL 1969, c. 132, §1, is repealed.

Sec. 5. 24-A MRSA §2303, sub-§1, ¶C, as amended by PL 1987, c. 559, Pt. A, §2, is further amended to read:

C. Due consideration shall be given:

(1) To past and prospective loss experience within and outside this State;

(2) To the conflagration and catastrophe hazards;

(3) To a reasonable margin for underwriting profit and contingencies;

(4) To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;

(5) To past and prospective expenses both countrywide and those specially applicable to this State;

(6) To all other relevant factors within and outside this State;

(6-A) In the case of workers' compensation rates, consideration shall be given to the information required to be filed under section 2363; ~~and~~

(7) In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent 5-year period for which such experience is available; and

(8) In the case of title insurance rates, consideration shall be given to the reasonableness of commission levels and other acquisition costs both countrywide and those specifically applicable to this State.

Sec. 6. Applicability. The requirements of this Act shall apply to rates utilized on or after January 1, 1990. No title insurer may utilize a rate after January 1, 1990, which has not been filed with the superintendent pursuant to this Act.

Sec. 7. Allocation. The following funds are allocated from Other Special Revenue funds of the Bureau of Insurance within the Department of Professional and Financial Regulation to carry out the purposes of this Act.

1989-90

**PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF**

Bureau of Insurance

All Other \$10,000

See title page for effective date.

CHAPTER 352

S.P. 401 - L.D. 1045

**An Act Concerning the Regulation of
Cable Television**

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

30-A MRS A §3010 is enacted to read:

§3010. Consumer rights and protection

Every franchisee shall agree to the following.

1. Credits and refunds for interruption of service.

Credits and refunds for interruption of service shall be as follows.

A. In the event service to any subscriber is interrupted for 24 or more consecutive hours, it will, upon request, grant that subscriber a pro rata credit or rebate.

B. An office shall be open during usual business hours, have a listed toll-free telephone and be capable of receiving complaints, requests for adjustments and service calls.

C. The franchisee shall provide subscribers with 30 days advance notice of an increase in rates or the deletion of a channel.

2. Notice to subscribers regarding quality of service. Notice to subscribers regarding quality of service shall be as follows.

A. For each new subscriber, and annually thereafter, every franchisee shall cause to be mailed to each of its subscribers a notice that:

(1) Informs subscribers of how to communicate their views and complaints to the cable company, the proper municipal official and the Attorney General;

(2) States the responsibility of the Department of the Attorney General to receive consumer complaints concerning matters other than channel selection and rates; and

(3) States the policy regarding and method by which subscribers may request rebates or pro rata credits as described in subsection 1, paragraph A.

B. The notice shall be in nontechnical language, understandable by the general public and in a convenient format. On or before January 30th of each year, the franchisee shall certify to the franchising authority and to the Department of the Attorney General that it has distributed the notice during the previous calendar year as required by this section.

3. Franchise document clearinghouse. Within 60 days of the granting of an initial franchise or any franchise renewal, the franchisee shall file a copy of the franchise with the Corporations Division of the Department of the Secretary of State. Within 60 days of the passage of this Act, all

franchisees shall file a copy of their existing franchises with the Corporations Division of the Department of the Secretary of State. The Corporations Division shall maintain a file of all franchise documents recorded with the division and make copies available upon request for the cost of reproduction and mailing, plus a reasonable administrative fee. The filing fee for initial and renewal franchise documents shall be \$125 per franchise or franchise renewal.

4. Recording subscriber complaints. Recording subscriber complaints shall be as follows.

A. Every franchisee shall keep a record or log of all written complaints received regarding quality of service, equipment malfunctions, billing procedure, employee attitude and similar matters. These records shall be maintained for a period of 2 years.

B. The record shall contain the following information for each complaint received:

(1) Date, time and nature of the complaint;

(2) Name, address and telephone number of the person complaining;

(3) Investigation of the complaint;

(4) Manner and time of resolution of the complaint;

(5) If the complaint regards equipment malfunction or the quality of reception, a report indicating corrective steps taken, with the nature of the problem stated; and

(6) Consistent with subscriber privacy provisions contained in the Cable Communications Policy Act of 1984, Public Law 98-549, every franchisee shall make the logs or records of complaints available to any authorized agent of any franchising authority having a franchise with that franchisee or any authorized agent of a municipality considering a franchise with that franchisee upon request during normal business hours for on-site review.

5. Franchises. All franchises shall be nonexclusive. All franchises shall include provision for access to, and facilities to make use of, one or more local public, educational and governmental access channels subject to the definitions and requirements of the Cable Communications Policy Act of 1984, Public Law 98-549.

6. Rights of individuals. No cable television system operator may deny service, deny access or otherwise discriminate against subscribers, channel users or general citizens on the basis of age, race, religion, sex, physical handicap or country of natural origin.

7. Penalty. A violation of any provision of this section is a violation of the Unfair Trades Practices Act, Title 5, chapter 10.

See title page for effective date.

CHAPTER 353

H.P. 411 - L.D. 554

An Act to Clarify Use of Corporate-owned Life Insurance Policies

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

Whereas, corporate employers are increasingly concerned about their ability to finance the substantial cost of preemployment and postemployment economic security benefits for their employees; and

Whereas, proposed standards of the Financial Accounting Standard Board may affect the future availability of postemployment benefits to Maine workers; and

Whereas, many corporate employers desire to recover these costs by investing in a program of corporate-owned life insurance policies purchased on the lives of their employees; and

Whereas, the process of installing and maintaining a corporate-owned life insurance policies program takes several months to complete; and

Whereas, to ensure that corporate employers have the continued flexibility to offer and finance postemployment benefits to employees, it is necessary to clarify immediately the availability of corporate-owned life insurance policies to Maine corporate employers; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 24-A MRSA §2404, sub-§3, ¶¶B and C, as enacted by PL 1969, c. 132, §1, are amended to read:

B. In the case of other persons, a lawful and substantial economic interest in having the life, health; or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured; and

C. An individual ~~heretofore or hereafter~~ party to a contract or option for the purchase or sale of an interest in a business proprietorship, partnership or firm, or of shares of stock of a closed corporation or of an interest in ~~such~~ these shares, has an insurable interest in the life, body and health of each individual party to ~~such~~ that contract and for the purposes of ~~such~~ that contract only, in addition to any insurable interest which may otherwise exist as to ~~such~~ that individual; and

Sec. 2. 24-A MRSA §2404, sub-§3, ¶D is enacted to read:

D. A corporation has an insurable interest in the lives of its employees, former employees and retirees for the purpose of funding, in the aggregate, all or part of the corporation's cost for preretirement and postretirement medical, death, disability and pension benefits to its employees, former employees, retirees or their beneficiaries, provided that an insurance program used to finance these employee benefits includes former employees, retirees or a broad class of employees selected by objective standards related to age, service, sex or category of employment and that the proceeds created by that insurance program are used for the sole purpose of funding the corporations's preretirement or postretirement benefit programs.

Sec. 3. 24-A MRSA §2408, as enacted by PL 1969, c. 132, §1, is repealed and the following enacted in its place:

§2408. Consent of insured for health and life insurance

1. No life or health insurance contract upon an individual, including contracts which may arise under section 2404, subsection 3, paragraph D, may be made or effectuated, unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies for coverage or has provided written consent, except under the following circumstances.

A. A spouse may effectuate insurance upon the other spouse.

B. Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of the minor.

C. Family policies may be issued insuring 2 or more members of a family on an application signed by either parent, a stepparent or a spouse.

2. This section does not apply to:

A. Group life insurance contracts other than group contracts which may arise under section 2404, subsection 3, paragraph D;

B. Group annuity contracts; or