

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

C. Group or blanket health insurance contracts.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective June 19, 1989.

CHAPTER 354

H.P. 428 - L.D. 593

An Act to Require Notice of Termination of Policies Issued under an Assigned Risk Plan

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

24-A MRSA §2924 is enacted to read:

§2924. Assigned risk insurance plan

If no payment for renewal of a policy has been received by the insurer 15 days prior to the expiration date of the policy, the insurer shall notify the insured in accordance with this section. Written notice shall be mailed or delivered to the named insured no less than 10 days prior to the expiration date. The notice shall state that the policy will terminate on the expiration date if the insurer does not receive payment by that date. A post-office department certificate of mailing is proof of mailing.

See title page for effective date.

CHAPTER 355

H.P. 1087 - L.D. 1509

An Act to Provide Flexibility in the Laws on Residential Placement of Young Adults

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

Sec. 1. 22 MRSA §7801, sub-§5 is enacted to read:

5. Residents under age of 18 years. Notwithstanding any age requirement, a person who is 17 years of age or older may be a resident in an adult foster home or boarding home without the home being required to be licensed as a children's home under chapter 1669 if the department determines that such a placement is in the best interests of that person.

Sec. 2. 22 MRSA §7902, sub-§1, as amended by PL 1985, c. 770, §7, is further amended to read:

1. **Rules promulgated.** The commissioner shall promulgate rules for boarding care facilities, which shall

include but need not be limited to rules pertaining to administration, staffing, the number of residents, the quality of care, the quality of treatment, if applicable, the health and safety of staff and residents, the rights of residents, community relations, the administration of medication, criteria for placement of residents who are 17 years of age or older and under 18 years and licensing procedures. There shall be separate rules promulgated for boarding homes and foster homes.

In establishing the rules for the administration of medication, the commissioner shall consider, among other factors, the general health of the persons likely to receive medication, the number of persons served by the facility and the number of persons employed by the facility. In the rules for the administration of medication established for boarding homes, the Department of Human Services shall require unlicensed personnel to have successfully completed a program of training and instruction approved by the department for the administration of medication which is not limited to in-service training.

Sec. 3. 22 MRSA §8107, sub-§3 is enacted to read:

3. Residents 18 years of age or older. A resident in a children's home may remain in that home after attaining the age of 18 years without the home being required to be licensed as a boarding care facility under chapter 1663 if the department determines that it is in the best interest of the resident.

See title page for effective date.

CHAPTER 356

H.P. 37 - L.D. 37

An Act Providing for a Report on the Availability of Insurance and Level of Competition within the Insurance Industry in Maine and a Report on Insurance Rating Organizations in Maine

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

Sec. 1. 24-A MRSA §2320-A is enacted to read:

§2320-A. Competition and availability of insurance

1. General review. The Superintendent of Insurance shall review annually each authorized insurer in each major line of insurance in the State for which a rating organization is authorized to file rates. Major lines of insurance shall include workers' compensation, private passenger automobile liability, private passenger automobile physical damage, commercial automobile liability, commercial automobile physical damage, commercial multiple peril, homeowners' liability, medical malpractice and fire insurance. In addition to the annual review of major lines, the superintendent may review individual insurers involved in those specific

lines for which the superintendent has reasonable cause to believe that competition may not be an effective regulator of rates for the purpose of determining the level of competition among insurers providing those lines and the availability of insurance within those lines.

2. Review of specific lines of insurance. In the superintendent's determination of the specific lines of insurance to be reviewed pursuant to subsection 1, the superintendent shall consider:

A. The number of insurers actually writing insurance within the line;

B. The extent and nature of rate differentials among insurers within the line;

C. The respective market share of insurers actually writing insurance within the line and changes in that market share over previous years;

D. The ease of entry into the line by insurers not currently writing such line;

E. The degree to which rates within the line are established by rating service organizations;

F. The extent to which insurers licensed to write the line have sought to obtain new business within the line within the past year;

G. Whether a pattern of excessive rates exists within the line in relation to losses, expenses and investment income; and

H. Any other factors the superintendent considers relevant to the determination of whether competition is an effective regulator of rates within the line.

3. Report required. The superintendent shall submit a report or reports on those lines of insurance which the superintendent has specified as lines for which competition may not be an effective regulator of rates. The report shall include recommendations to provide a more competitive atmosphere. The report or reports shall be submitted annually in 1990 and 1991 and biennially thereafter to:

A. The joint standing committee of the Legislature having jurisdiction over banking and insurance;

B. The Governor; and

C. The Department of the Attorney General.

4. Rules authorized. The superintendent shall promulgate the rules necessary to carry out this section.

Sec. 2. 24-A MRSA §2328, as amended by PL 1973, c. 585, §12, is further amended by adding at the end a new paragraph to read:

If the examination of a rating organization is satisfied by acceptance of another state's report on that rating organi-

zation, the superintendent shall submit a report to the joint standing committee of the Legislature having jurisdiction over banking and insurance concerning the superintendent's analysis of that report, any deficiencies noted by the superintendent or in the other state's report and what action has been taken to correct those deficiencies.

Sec. 3. Allocation. The following funds are allocated from the Insurance Regulatory Fund to carry out the purposes of this Act.

	1989-90	1990-91
PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF		
Bureau of Insurance		
Positions	(1)	(1)
Personal Services	\$30,500	\$32,100
All Other	20,000	
Capital	2,500	
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION		
TOTAL	<u>\$53,000</u>	<u>\$32,100</u>

See title page for effective date.

CHAPTER 357

S.P. 251 - L.D. 641

An Act to Implement Civil Penalties for Passing Worthless Instruments

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

14 MRSA c. 712 is enacted to read:

CHAPTER 712

CIVIL LIABILITY FOR BAD CHECKS

§6071. Civil penalties for bad checks

1. Recovery of costs. In any action against a person who makes, issues or draws any check, draft or order for the payment of money which has been dishonored for lack of funds or credit to pay the check, draft or order, or because the maker, issuer or drawer has no account with the drawee, the holder may recover from the maker, issuer or drawer the amount of the check, draft or order, plus the court costs, service costs, collection costs and processing charges incurred by the holder. The amount of the check, draft or order, plus the enumerated costs, may be recovered only if:

A. The holder gives notice pursuant to section 6073 for payment of the check, draft or order; and