

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

FIRST REGULAR SESSION

December 5, 1990 to July 10, 1991

Chapters 1 - 590

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
OCTOBER 9, 1991

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
1991

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

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ONE HUNDRED AND FIFTEENTH LEGISLATURE

1991

Sec. 1. 24-A MRSA §2413, sub-§1, ¶E, as amended by PL 1981, c. 234, §2, is further amended to read:

E. As to a life insurance or health insurance policy, if it contains a provision or provisions such as to encourage misrepresentation; or

Sec. 2. 24-A MRSA §2413, sub-§1, ¶F, as amended by PL 1989, c. 27, §1, is further amended to read:

F. As to Medicare supplement policies or contracts, as defined in chapter 67, if the policy cannot be anticipated, as estimated for the entire period for which rates are to be computed to provide coverage, on the basis of incurred claims experience and earned premiums for that period and in accordance with accepted actuarial principles and practices, to return to policyholders in the form of aggregate benefits provided under the policy at least 65% of the aggregate amount of premiums collected in the case of individual policies and at least 75% of the aggregate amount of premiums collected in the case of group policies; or

Sec. 3. 24-A MRSA §2413, sub-§1, ¶G is enacted to read:

G. As to an individual health insurance policy, contract or rider, if it insures against a specific disease and does not meet the minimum loss ratio standards specified in subparagraph (2).

(1) As used in this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(a) "Conditionally renewable" means renewal may be declined by the insurer by class, geographic area or for stated reasons other than health.

(b) "Guaranteed renewable" means renewal may be declined by the insurer only for nonpayment of premium but rates may be revised on a class basis.

(c) "Noncancelable" means renewal may not be declined by the insurer and rates may not be revised.

(d) "Optionally renewable" means renewal is at the option of the insurer.

(2) The loss ratio standards for each type of renewal clause are:

(a) Optionally renewable insurance, 60%;

(b) Conditionally renewable insurance, 55%; and

(c) Guaranteed renewable and noncancelable insurance, 50%.

See title page for effective date.

CHAPTER 212

H.P. 895 - L.D. 1292

An Act to Clarify Regulation of Private Label Credit Cards

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

9-A MRSA §8-303, sub-§7 is enacted to read:

7. With respect to an open-end credit plan involving a credit card offered in connection with a seller located in this State using cards displaying the name of the seller:

A. The terms of the credit card contract must comply with the laws that would apply if the seller were the creditor; or

B. The name and location of the financial institution underwriting the debt must appear with equal prominence on the face of the credit card with the name of the seller.

This subsection applies to any new credit card programs implemented after November 1, 1991 or to the next renewal for any credit card accounts existing at that time. A violation of this section constitutes a violation of Title 5, chapter 10, Unfair Trade Practices Act.

See title page for effective date.

CHAPTER 213

S.P. 509 - L.D. 1358

An Act to Grant Enforcement Powers to Sewer Districts

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

Sec. 1. 38 MRSA §1151-A is enacted to read:

§1151-A. Enforcement power

A sanitary district may seek in a civil action injunctive relief from an industrial user that violates any pretreatment standard or requirement administered by the district. The district may seek a civil penalty of up to \$1,000 a day for each violation by an industrial user of a pretreatment standard or requirement.