

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

SECOND SPECIAL SESSION

December 12, 1991 to January 7, 1992

SECOND REGULAR SESSION

January 8, 1992 to March 31, 1992

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1992

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
1992

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION

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ONE HUNDRED AND FIFTEENTH LEGISLATURE

1991

ods, such insurance. Administration of the plan is the responsibility of the plan member insurers subject to regulatory oversight by the bureau. The plan shall must provide:

A. Reasonable rules governing the equitable distribution of risks by direct insurance, reinsurance or otherwise and their assignment to insurers;

B. Rates and rate modifications applicable to such risks, which ~~shall~~ may not be excessive, inadequate or unfairly discriminatory;

C. The limits of liability ~~which that~~ the insurer shall be is required to assume, except that the maximum amount of physical damage coverage for commercial type vehicles ~~shall must~~ be determined by the superintendent based on the current cost of new vehicles but not to exceed a maximum amount of \$100,000; and

D. A method whereby applicants for insurance, insureds and insurers may have a hearing on grievances and the right of appeal to the superintendent.

Sec. 2. 24-A MRSA §2325, sub-§3, as amended by PL 1989, c. 797, §30 and affected by §§37 and 38, is further amended to read:

3. The plan referred to in subsection 2 ~~shall must~~ be filed in writing with the superintendent. The superintendent shall review the plan as soon as reasonably possible after filing in order to determine whether it meets the requirements set forth in subsection 2, paragraphs A, B, C and D. The plan, unless sooner approved in writing, ~~shall must~~ be on file for a waiting period of 30 days before it becomes effective. The plan ~~shall be~~ is deemed approved unless disapproved by the superintendent within the waiting period.

Subsequent to the waiting period, the superintendent may disapprove the plan on the grounds that it does not meet the requirements set forth in subsection 2, paragraphs A, B, C and D, but only after a hearing held upon not less than 10 days' written notice to every insurer and advisory organization affected, specifying the matters to be considered at ~~such~~ the hearing, and only by an order specifying in what respect the superintendent finds that the plan fails to meet ~~such~~ the requirements, and stating when within a reasonable period thereafter the plan ~~shall be~~ is deemed no longer effective. ~~Such That~~ That order ~~shall~~ does not affect any assignment made or policy issued or made prior to the expiration of the period set forth in the order. Amendments to the plan ~~shall must~~ be prepared, filed and reviewed in the same manner as ~~herein~~ provided in this subsection with respect to the original plan.

The superintendent may, as necessary and in accordance with the Maine Administrative Procedure Act, initiate rulemaking with respect to the plan.

Sec. 3. 24-A MRSA §2325, sub-§§6 and 7 are enacted to read:

6. The maximum limits of liability insurance offered by the Maine Automobile Insurance Plan for a personal automobile policy may not be less than \$250,000 per person for bodily injury liability, \$500,000 per occurrence for bodily injury liability and \$100,000 for property damage liability. A combined single limit of \$500,000 may be offered as an alternative to the mandatory split limits for bodily injury liability and property damage liability.

7. When a notice of cancellation for nonpayment of premium is issued by the Maine Automobile Insurance Plan or by an insurer to which the insured has been assigned by the plan, any premium paid by the insured but unearned within the policy term must be returned to the insured within 10 working days from the effective date of cancellation.

See title page for effective date.

CHAPTER 668

H.P. 1484 - L.D. 2096

An Act to Amend the Group Health Insurance Conversion Laws

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

Sec. 1. 24 MRSA §2330, sub-§§4 and 6, as enacted by PL 1981, c. 606, §1, are amended to read:

4. **Premium.** The premium on the converted contract ~~shall must~~ be determined in accordance with premium rates applicable to individually underwritten standard risks for the age and class of risk of each person to be covered and the type and amount of coverage provided. Experience under converted contracts ~~shall is~~ not be an acceptable basis for establishing rates for converted contracts, except to the extent permitted by ~~regulations promulgated~~ rules adopted by the superintendent.

The superintendent may establish maximum rates by rule for standard benefit options.

Maximum rates do not apply if all of the following conditions are met:

A. Conversion is provided through a form that is also issued to individually underwritten standard risks;

B. The rates for that form are based on individually underwritten standard risks; and

C. The rates have been filed pursuant to section 2321.

6. Conformity to rules. A converted contract issued under this section ~~shall must~~ conform to ~~regulations promulgated rules~~ adopted by the superintendent. These ~~regulations shall rules must~~ ensure that continuity of coverage with similar benefits as determined by the superintendent is ~~provided offered~~. The rules must also specify plans with more limited benefits that must be offered, but shall may not require a nonprofit service corporation to provide benefits in excess of those provided under the group contract from which conversion is made.

Sec. 2. 24-A MRSA §2809-A, sub-§§4 and 6, as enacted by PL 1981, c. 606, §2, are amended to read:

4. The premium on the converted policy ~~shall must~~ be determined in accordance with premium rates applicable to individually underwritten standard risks for the age and class of risk of each person to be covered and the type and amount of insurance provided. Experience under converted policies ~~shall is not be~~ an acceptable basis for establishing rates for converted policies, except to the extent permitted by ~~regulations promulgated rules adopted~~ by the superintendent.

The superintendent may establish maximum rates by rule for standard benefit options.

Maximum rates do not apply if all of the following conditions are met:

A. Conversion is provided through a form that is also issued to individually underwritten standard risks;

B. The rates for that form are based on individually underwritten standard risks; and

C. The rates have been filed pursuant to section 2736.

6. A converted policy issued under this section ~~shall must~~ conform to ~~regulations promulgated rules adopted~~ by the superintendent. These ~~regulations shall rules must~~ ensure that continuity of coverage with similar benefits as determined by the superintendent is ~~provided offered~~. The rules must also specify plans with more limited benefits that must be offered, but shall may not require an insurer to provide benefits in excess of those provided under the group policy from which conversion is made.

Sec. 3. 24-A MRSA §2809-A, sub-§12 is enacted to read:

12. This section applies to all policies issued in other states to the extent they cover employees whose primary workplace is in this State.

See title page for effective date.

CHAPTER 669

H.P. 1557 - L.D. 2195

An Act to Revise the Basis for Semiannual Assessment on Financial Institutions

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

Sec. 1. 9-B MRSA §214, sub-§2, as amended by PL 1983, c. 201, § 1, is further amended to read:

2. Semiannual assessment on financial institutions.

A. To provide for the balance of the reasonable expenses incurred to fulfill the bureau's duty pursuant to this Title, including general regulatory costs, overhead, transportation; and general office and administrative expenses, the superintendent shall assess semiannually each financial institution under ~~his the superintendent's~~ supervision at the annual rate of at least ~~7¢ 6¢~~ for each \$1,000 of the total of average deposits and deposit-like instruments ~~assets~~, as defined by the superintendent, ~~or share accounts and deposit-like instruments, excluding deposits of other financial institutions and deposits of the United States Government.~~ The superintendent may raise the minimum assessment rate of ~~7¢ per 6¢~~ for each \$1,000 of the total of average ~~deposits and deposit-like instruments, or share accounts and deposit-like instruments assets~~ by promulgating ~~regulations rules~~ pursuant to section 251 at such time as economic conditions warrant such an increase. In no event ~~shall may~~ the semiannual assessment be less than \$25.

B. For the period ending the last day of June in each year the assessment ~~shall must~~ be made on or before the first day of August next following and for the period ending the last day of December in each year the assessment ~~shall must~~ be made on or before the first day of February next following. The superintendent shall ~~forthwith immediately~~ notify ~~said the~~ financial institution of ~~such the~~ assessment. The assessment so made ~~shall must~~ be paid semiannually to the Treasurer of State within 10 days next following the first days of August and February in each year.

Sec. 2. Application. The change in base and assessment rate from deposits and deposit-like instru-