

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

**LAWS**  
**OF THE**  
**STATE OF MAINE**

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

**THIRD SPECIAL SESSION**

October 1, 1992 to October 6, 1992

**FOURTH SPECIAL SESSION**

October 16, 1992

ONE HUNDRED AND SIXTEENTH LEGISLATURE

**FIRST REGULAR SESSION**

December 2, 1992 to July 14, 1993

THE GENERAL EFFECTIVE DATE FOR

FIRST REGULAR SESSION

NON-EMERGENCY LAWS IS

OCTOBER 13, 1993

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  
1993

---

**PUBLIC LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED AT THE**  
**FIRST REGULAR SESSION**

**of the**  
**ONE HUNDRED AND SIXTEENTH LEGISLATURE**

**1993**

---

The municipal treasurer shall notify the party named on the tax lien mortgage and each record holder of a mortgage on the real estate not more than 45 days nor less than 30 days before the foreclosing date of the tax lien mortgage, in a writing signed by the treasurer or bearing the treasurer's facsimile signature and left at his the holder's last and usual place of abode or sent by certified mail, return receipt requested, to his the holder's last known address of the impending automatic foreclosure and indicating the exact date of foreclosure. For sending this notice, the municipality ~~shall be~~ is entitled to receive \$3 plus all certified mail, return receipt requested, fees. These costs ~~shall must~~ be added to and become a part of the tax. If notice is not given in the time period specified in this section to the party named on the tax lien mortgage or to any record holder of a mortgage, the person not receiving timely notice ~~shall have the right to may~~ redeem the tax lien mortgage until 30 days after the treasurer does provide notice in the manner specified in this section.

See title page for effective date.

---

## CHAPTER 423

### H.P. 1162 - L.D. 1560

#### An Act Requiring Public Schools to Purchase Insurance through a Competitive Bidding Process

**Mandate preamble.** This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, two thirds of all of the members elected to each House have determined it necessary to enact this measure.

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

**Whereas,** adoption of a competitive bidding process for the purchase of insurance for school buses, school buildings and other school needs will lead to immediate savings to schools statewide in fiscal year 1993-94; 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.** 20-A MRS §1001, sub-§14 is enacted to read:

#### **14. Insurance purchase by competitive bidding.**

Except as otherwise provided by waiver, a school board shall purchase insurance by competitive bidding. On each insurance policy, a competitive bid must be sought at least once every 5 years. To take advantage of commercial package policies in the marketplace, a school board shall group qualifying lines of insurance into a single competitive bid process. Each policy secured by competitive bidding must be issued with a 3-year policy term or, if this is not possible, a commitment for 3 one-year policy terms must be secured with an option for 2 additional one-year policy terms, subject to annual review and adjustment.

A. The requirement of competitive bidding may be waived by a school board when:

(1) In the opinion of the school board, an emergency exists that requires the immediate procurement of insurance. The emergency may include the premature cancellation of an existing policy or acquisition of a risk that can not be added to an existing policy, including the signing of a lease. However, at the next renewal of the policy, procurement of insurance is subject to competitive bidding;

(2) After reasonable investigation by the school board, it appears that the required insurance is procurable from only one source;

(3) It appears to be in the best interest of the school board to negotiate for the procurement of an excess insurance line;

(4) The line of insurance is workers' compensation or an employee benefit such as life, disability or health insurance in accordance with subsection 5; or

(5) The school board is in a municipal school unit and school insurance and municipal insurance are purchased as a package through competitive bidding by the municipal government.

B. A registry of bidders must be maintained by the school board. Invitations to bid or proposals must be sent to a registry of bidders on file with the school board. Insurance agents or brokers licensed by the Bureau of Insurance and risk pools authorized under Title 24-A or Title 30-A, chapter 117 desiring to have their names entered on a registry of bidders shall submit to the school board in writing a request for such action. The name of a bidder entered in a registry who fails to submit a bid on 3 consecutive proposals or invitations to bid may be removed from the registry at the discretion of the school board.

C. "Competitive bidding" means the following multistep process.

(1) At least 4 months before the expiration date of the policy for which bids are being solicited, a prequalification questionnaire, referred to in this paragraph as the "questionnaire," must be developed by the school board for the purpose of prequalifying bidders. The questionnaire must contain at a minimum:

(a) Questions on the bidder's insurance knowledge, educational background, licensing, errors and omissions insurance, experience with public entities, experience with school systems and number of years in business. The questionnaire must state that qualified bidders must be insurance agents or brokers licensed by the Bureau of Insurance or duly authorized risk pools under Title 24-A or Title 30-A, chapter 117;

(b) The evaluation criteria and relative scoring weights to be applied in the prequalification evaluation process;

(c) A statement that bidders are subject to prescreening and may not approach an insurer or reinsurer until given permission by the school board to do so since markets are allocated by the school board. The questionnaire must state that failure to comply with this restriction automatically disqualifies the bidder. The questionnaire must state that the school board reserves the option to require a personal interview at any time in the process; and

(d) The address and contact person to which the questionnaire must be submitted and the opening date and time, which may not be less than 3 1/2 months from the expiration date of the policy or policies being sought. The questionnaire must state that: all proposals are publicly opened at the date, time and place noted; a questionnaire received after the date and time specified is rejected, but retained and not evaluated or considered further; and proposals are not available for inspection until after the bid is awarded. The questionnaire must state that the school board reserves the right to reject a questionnaire and does not ac-

cept responsibility for costs incurred by a bidder in the preparation of a questionnaire. The questionnaire must state that bidders are notified of the outcome in writing no later than 10 days after the closing date.

(2) In the same time frame, the school board shall also develop a request for proposal, referred to in this paragraph as the "proposal." The proposal must contain at a minimum:

(a) The line or lines of insurance for which bids are being solicited and a clear definition of minimum coverage required, minimum limits required, deductibles, policy forms and endorsements required and policy term required. If coverage identical to the expiring coverage is being sought, a copy of the expiring policy or policies and all endorsements may be enclosed to meet this requirement;

(b) Basic underwriting information, such as named insured, mailing address, nature of risk, actual locations, schedules of buildings, business personal property, vehicles or any other property for which insurance is being sought, if applicable;

(c) At least a 3-year and preferably a 5-year company-generated loss run;

(d) A clear definition of the services, if any, required of both the bidder and the insurer;

(e) The minimum A.M. Best rating and financial size category acceptable to the school board;

(f) The evaluation criteria and relative scoring weights to be applied to the proposal. Cost of the insurance coverage must be included in the evaluation criteria and must be given a minimum of 50% of the total weight of all criteria;

(g) The address and contact person to which a bid must be submitted and the bid opening date and time. The proposal must state that: all proposals are publicly opened at the date, time and place noted; bids received after the date and time specified are rejected, but retained and not evaluated or considered further; and proposals are not

available for inspection until after the bid is awarded. The proposal must state that the school board reserves the right to reject a bid and does not accept responsibility for costs incurred by a bidder in the preparation of a proposal. The proposal must state that all bidders are notified of the outcome in writing no later than 20 days after the bid closing date;

(h) The name, address and optionally a facsimile number of a school board contact person to whom written questions may be addressed. The proposal must state that the school board will reply to questions submitted in writing before a specified deadline with copies of the questions and answers to be provided in writing to all bidders; and

(i) A statement that the successful bidder must present an insurance binder to the school board within 5 days of the award and no later than the expiration date of the existing policy. Failure to do so disqualifies the award and the award is then made to the next highest-rated bidder who was in compliance with the proposal. The proposal must state that all decisions regarding the award are final.

(3) Each bidder on the registry of bidders must be provided with a questionnaire and proposal 4 months before the expiration of the policy or policies being sought. Each bidder must complete and return the questionnaire before the stated date and time as specified in the questionnaire. In addition, a bidder must state in the order of preference the insurers they prefer to solicit on the school board's behalf. The school board shall then have 3 persons independently review a questionnaire on the basis of the established criteria. The reviewers shall document the scoring and select all qualified bidders, but no more than the 5 highest-rated, to participate further in the process.

(4) The school board shall allocate to each selected bidder at least one insurer from which to solicit a bid. This market allocation must be made on the basis of awarding the bidder's first choice to the bidder. If there is a conflict, an incumbent broker is given preference over the school board's incumbent insurer. Allocation is then made on the basis of highest-qualifying score. Once

market allocation is complete, a new bid closing date must be set for 30 days before the policy expiration date for submission of insurer bids.

(5) The school board shall have 3 persons independently review each submitted bid on the basis of the established criteria. The reviewers shall document the scoring and substantive information that supports the scoring and make the award decision. Interviews may be considered within the review. Award must be made to the highest-rated proposal that conforms to the proposal. Tie scores must be resolved on the basis of factors considered by the school board to serve the best interests of the school system. Minor negotiations not affecting the bid price more than 5% after notice of award are allowed and, if agreement can not be reached, the proposal may be rejected and the award made to the next highest-rated bidder who is in compliance with the proposal. Written records must be kept by each person reviewing or ranking proposals. The award of the bid must then be announced publicly. All bidders must be notified in writing no later than 5 days after the award is made. The successful bidder shall submit, in accordance with the proposal, a written binder of insurance within 5 days of the award and no later than the expiration date of the expiring policy. All decisions regarding awards are final.

## **Sec. 2. Further study of competitive bidding.**

During the Second Regular Session of the 116th Legislature, the Joint Standing Committee on Education shall study the use of competitive bidding for the purchase of workers' compensation insurance and employee benefit insurance, including life, disability and health insurance, and prepare recommendations for consideration by the Second Regular Session of the 116th Legislature.

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

Effective July 12, 1993.

---



---

## **CHAPTER 424**

**H.P. 1169 - L.D. 1563**

### **An Act to Clarify that Incineration is a Form of Disposal under the State's Solid Waste Laws**

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