

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**  
**ONE HUNDRED AND SIXTEENTH LEGISLATURE**

**SECOND REGULAR SESSION**

**January 5, 1994 to April 14, 1994**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 14, 1994**

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

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1993**

The Treasurer of State shall hold all surcharges assessed by this subsection in the fund and invest all money in the fund until ~~disbursement is authorized by the council~~ disbursed to the council upon request of the council. Interest from investments accrues to the fund.

All money in the fund is subject to allocation by the Legislature. Unexpended balances in the fund at the end of the fiscal year may not lapse but must be carried forward to be used for the same purposes.

In addition to payment of the regular license fee and the surcharge, a person purchasing a license subject to the surcharges established in this subsection may make voluntary contributions to the fund at the time the license is purchased. Voluntary contributions received by the department from a licensee pursuant to this subsection must be deposited in the fund by the department and must be used by the council for the purposes of this subchapter.

**Sec. 6. 12 MRSA §6455, sub-§7** is enacted to read:

7. **Audit.** Beginning with fiscal year 1994-95, the Department of Audit shall annually perform a postaudit of expenditures by the council and shall report the results of that audit to the joint standing committee of the Legislature having jurisdiction over marine resource matters. The council shall reimburse the Department of Audit for costs incurred by that department to conduct that audit.

**Sec. 7. Allocation.** The following funds are allocated from Other Special Revenue to carry out the purposes of this Act.

|   |                |
|---|----------------|
|   | <b>1994-95</b> |
| <b>AUDIT, DEPARTMENT OF</b>   |                |
| <b>Audit - Departmental Bureau</b>  |                |
| All Other   | \$5,625        |
| Provides for the allocation of funds to perform a postaudit of expenditures of the Lobster Promotion Council. |                |
| <b>DEPARTMENT OF AUDIT</b>  |                |
| <b>TOTAL</b>  | \$5,625        |
| <br><b>LOBSTER PROMOTION COUNCIL</b>  |                |
| <b>Lobster Promotion Council</b>  |                |

|   |             |
|---|-------------|
| All Other   | (\$400,000) |
| Provides for the deallocation of funds to reflect the new status of the Lobster Promotion Council as an instrumentality of the State. |             |

**Lobster Promotion Council**

|   |           |
|---|-----------|
| All Other   | \$400,000 |
| Provides for the allocation of funds to reflect the new status of the Lobster Promotion Council as an instrumentality of the State and to allow the council to receive state funds from the Lobster Promotion Fund. |           |

**LOBSTER PROMOTION COUNCIL TOTAL**

\$0

**TOTAL ALLOCATIONS**

\$5,625

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect on July 1, 1994.

Effective July 1, 1994.

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**CHAPTER 546**

**H.P. 1207 - L.D. 1615**

**An Act to Repeal the Sunset on Rating Practices in Small Group Health Plans and Individual Health Insurance**

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

**Sec. 1. 24-A MRSA §2736-C, sub-§2, ¶D,** as enacted by PL 1993, c. 477, Pt. C, §1 and affected by Pt. F, §1, is amended to read:

D. A carrier may vary the premium rate due to age, smoking status, occupation or industry, and geographic area only under the following schedule and within the listed percentage bands.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between December 1, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1995 and July 14, 1996, the premium rate may not deviate above or below the community rate filed by the carrier by more than 20%.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1996 and July 14, 1997, the premium rate may not deviate above or below the community rate filed by the carrier by more than 10%.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after July 15, 1997, the premium rate may not deviate from the community rate filed by the carrier.

~~Unless continued or modified by law, this paragraph is repealed on July 15, 1994.~~

**Sec. 2. 24-A MRSA §2808-B, sub-§2, ¶D,** as amended by PL 1993, c. 477, Pt. B, §1 and affected by Pt. F, §1, is further amended to read:

D. A carrier may vary the premium rate due to age, smoking status, occupation or industry, and geographic area only under the following schedule and within the listed percentage bands.

(1) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1993 and July 14, 1994, the premium rate may not deviate above or below the community rate filed by the carrier by more than 50%.

(2) For all policies, contracts or certificates that are executed, delivered, issued for de-

livery, continued or renewed in this State between July 15, 1994 and July 14, 1995, the premium rate may not deviate above or below the community rate filed by the carrier by more than 33%.

(3) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1995 and July 14, 1996, the premium rate may not deviate above or below the community rate filed by the carrier by more than 20%.

(4) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State between July 15, 1996 and July 14, 1997, the premium rate may not deviate above or below the community rate filed by the carrier by more than 10%.

(5) For all policies, contracts or certificates that are executed, delivered, issued for delivery, continued or renewed in this State on or after July 15, 1997, the premium rate may not deviate from the community rate filed by the carrier.

~~Unless continued or modified by law, this paragraph is repealed on July 15, 1994.~~

See title page for effective date.

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## CHAPTER 547

### S.P. 582 - L.D. 1626

#### An Act Concerning Health Insurance

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

**Sec. 1. 24 MRSA §2327-B** is enacted to read:

**§2327-B. Rating practices in individual insurance**

Title 24-A, section 2736-C applies to nonprofit hospital corporations, nonprofit medical service corporations and nonprofit health care plans to the extent not inconsistent with this chapter.

**Sec. 2. 24 MRSA §2349, sub-§1,** as amended by PL 1993, c. 477, Pt. A, §1 and affected by Pt. F, §1, is further amended to read:

**1. Contracts subject to this section.** This section applies to all individual and group contracts issued by nonprofit hospital or medical service or-