

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

FIRST REGULAR SESSION
December 7, 1994 to June 30, 1995

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 29, 1995

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
1995

A. If the broker fails to file the annual statement or to remit the tax as required by section 2017 2016;

Sec. 29. 24-A MRSA §2013, sub-§1, ¶E, as enacted by PL 1985, c. 564, §3, is amended to read:

E. If the broker assists any person or persons not licensed as surplus lines brokers by serving as a reporting broker for purposes of section 2005, 2015, or 2016 ~~or 2017~~ with respect to insurance coverage not procured by the broker.

Sec. 30. 24-A MRSA §2017, as repealed and replaced by PL 1991, c. 674, §1, is repealed.

Sec. 31. 24-A MRSA §2020, sub-§1, as enacted by PL 1993, c. 153, §17, is amended to read:

1. Every applicant for a surplus lines broker's license shall file with the superintendent evidence of a bond in favor of the State executed by an authorized surety insurer. The bond is conditioned upon full accounting and due payment to the person entitled to the bond of funds coming into the surplus lines broker's possession through insurance transactions under the license. The bond may be continuous in force and aggregate liability on the bond is limited to payment of not less than ~~\$2,500~~ \$20,000.

Sec. 32. 24-A MRSA §2308, sub-§2, as enacted by PL 1987, c. 337, is amended to read:

2. To promote the availability of coverage in lines of insurance when coverage is difficult to obtain or unavailable, a form more restrictive than that provided by filings otherwise applicable may be used on any specific risk, provided that the following requirements are satisfied.

A. The restrictive form and applicable rates are filed with the bureau.

B. A disclosure statement detailing the nature of the restriction or restrictions contained in the form and the manner in which the provisions of the restrictive form differ from an otherwise applicable filing is provided to and acknowledged by the applicant for insurance.

C. A copy of the disclosure statement and the written application for insurance submitted by the applicant are submitted to the bureau.

D. The superintendent does not disapprove the use of the restrictive form in the specific case.

~~The period during which a restrictive form may be employed, consistent with this subsection, is for the maximum period of one year. At any subsequent policy renewal, the provisions of this subsection must again be satisfied.~~

Sec. 33. 24-A MRSA §2308, sub-§§3 and 4 are enacted to read:

3. At any subsequent policy renewal in which additional or different restrictive policy forms or excess rates are employed, the provisions of this section must again be satisfied.

4. Notification to the superintendent of cancellation or nonrenewal of a policy containing restrictive forms or employing excess rates is required within 30 days following cancellation or nonrenewal of the policy.

See title page for effective date.

CHAPTER 330

S.P. 572 - L.D. 1552

An Act Concerning the Sites for Western Aroostook District Court

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

Sec. 1. 4 MRSA §153, sub-§3, as amended by PL 1993, c. 675, Pt. B, §1, is further amended to read:

3. **Western Aroostook.** Western Aroostook consists of the municipalities and unorganized territory known as Hamlin Plt., Cyr Plt., T17 R3, T17 R4, T16 R5, T15 R6, Winterville Plt., T15 R8, T15 R9, T14 R10, T14 R11, T14 R12, T14 R13, T14 R14, T14 R15, T14 R16, and all municipalities and unorganized territory in Aroostook County lying to the west and north of these. The District Court for Western Aroostook must be held at Madawaska, and Fort Kent ~~and Van Buren~~. The Chief Judge shall determine the level of service at each location.

See title page for effective date.

CHAPTER 331

H.P. 794 - L.D. 1111

An Act to Enable Small Farm Owners to Process and Sell Foods They Produce

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

Sec. 1. 22 MRSA §2152, sub-§4-A, as amended by PL 1991, c. 784, §13, is repealed and the following enacted in its place:

4-A. Food establishment. "Food establishment" means a factory, plant, warehouse or store in which food and food products are manufactured, processed, packed, held for introduction into commerce or sold. The following establishments are not considered food establishments required to be licensed under section 2167:

A. Eating establishments, as defined in section 2491, subsection 7;

B. Fish and shellfish processing establishments inspected under Title 12, section 4682, 6101, 6102 or 6856;

C. Storage facilities for native produce;

D. Establishments, such as farm stands primarily selling fresh produce, not including dairy and meat products;

E. Establishments engaged in the washing, cleaning or sorting of whole produce, provided the produce remains in essentially the same condition as when harvested. The whole produce may be packaged for sale, provided that packaging is not by a vacuum packaging process or a modified atmosphere packaging process; and

F. Establishments that are engaged in the drying of single herbs that are generally recognized as safe under 21 Code of Federal Regulations, Sections 182 to 189. The single herbs may be packaged for sale, provided that packaging is not by a vacuum packaging process or a modified atmosphere packaging process.

Sec. 2. 36 MRSA §4312-B, sub-§4, as repealed and replaced by PL 1985, c. 737, Pt. A, §100, is amended to read:

4. Organization. Members of the commission shall elect annually by majority vote one member of the commission ~~who shall to~~ serve as ~~chairman~~ chair. The ~~chairman~~ commission may appoint by majority vote an executive director ~~or~~ and such personnel as ~~he deems~~ the commission considers necessary to administer policies and programs established by the commission. The executive director and other staff serve at the pleasure of the commission. The salaries paid to the executive director and other staff of the commission must be fixed by the commission, subject to the approval of the Governor. These officers or personnel shall The executive director and other staff are not be subject to the ~~Personnel Laws~~ personnel laws of the State.

See title page for effective date.

CHAPTER 332

H.P. 994 - L.D. 1405

An Act to Amend the Laws Concerning Health Insurance

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

PART A

Sec. A-1. 24 MRSA §2330, sub-§1, as amended by PL 1991, c. 822, §1 and affected by §6, is further amended to read:

1. Conversion provision required. A group hospital, medical or health care service contract issued for delivery in this State prior to January 1, 1996, by a nonprofit hospital, medical or health service organization, other than a contract that provides benefits for specific diseases or accidental injuries only, must contain a provision that if the health coverage on an employee or member ceases because of termination of employment or termination of the contract or any portion ~~thereof~~ of the contract, and the person has been continuously insured for a period of at least 3 months under the group contract or under the group contract and any prior group contract or policy providing similar benefits that it replaces, that person is entitled to have issued to that person by the nonprofit service corporation, without evidence of insurability, a nongroup health care contract or, at the option of the nonprofit service corporation, a group certificate, ~~provided if that~~ provided if application is made and the first subscription charge paid to the nonprofit service corporation within 90 days after that termination. At the option of the employee or member, the converted contract may cover the employee or member, the employee or member and the dependents of the employee or member or the dependents of the employee or member; ~~provided that if~~, in the latter 2 cases, the dependents had been covered for a period of at least 3 months under the group contract, unless the dependent persons were not eligible for coverage until after the beginning of the 3-month period. The nonprofit service corporation has the option to provide the required coverage upon conversion through either a group or nongroup health care contract, and may issue a separate converted contract to cover any dependent. A nonprofit service corporation may not be required to provide a conversion privilege if termination of coverage under the group contract occurred because the employee or member failed to pay any required contribution or if any discontinued group coverage is replaced by continuous and substantially similar group coverage within 31 days.