

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

FIRST SPECIAL SESSION
November 28, 1995 to December 1, 1995

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JULY 4, 1996

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

ure of a municipality to provide notice as required by Title 30-A, section 4352, subsection 9 or the failure of the board to provide notice as required by this Title.

See title page for effective date.

CHAPTER 543

H.P. 1228 - L.D. 1681

An Act Pertaining to the Northern New England Passenger Rail Authority

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

Sec. 1. 14 MRSA §8102, sub-§4, as amended by PL 1993, c. 410, Pt. L, §44, is further amended to read:

4. State. "State" means the State of Maine or any office, department, agency, authority, commission, board, institution, hospital or other instrumentality of the State, including the Maine Turnpike Authority, the Maine Port Authority, the Northern New England Passenger Rail Authority, the Maine Technical College System, the Maine Veterans' Homes, the Maine State Retirement System and all such other state entities.

Sec. 2. 23 MRSA §8005, sub-§2, as enacted by PL 1995, c. 374, §3, is amended to read:

2. Expenditure of funds. These funds must be spent first to reinstate, ~~on or before December 31, 1995, at the earliest practicable time,~~ regularly scheduled passenger rail service between Portland, Maine and Boston, Massachusetts, and points between. Any funds that exceed those necessary to reinstate service between those points must be spent by the authority to extend, to the extent practicable, regularly scheduled passenger rail service to other points within and outside of this State.

Sec. 3. 23 MRSA §8112, sub-§2, as enacted by PL 1995, c. 374, §3, is amended to read:

2. Meetings of directors; compensation. All the powers of the authority may be exercised by the board of directors in lawful meeting and a majority of the directors ~~are then in office~~ is necessary for a quorum. Regular meetings of the board of directors may be established by bylaw and notice need not be given to the directors of the regular meeting. Each

director is entitled to compensation according to the provisions of Title 5, chapter 379.

See title page for effective date.

CHAPTER 544

H.P. 1231 - L.D. 1684

An Act to Consolidate Insurer Billing Procedures and to Streamline the Licensing Process for Reinsurance Intermediaries

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

Whereas, insurers and the Bureau of Insurance may assume considerable expenses that may otherwise be avoided under the provisions contemplated by this legislation; and

Whereas, current provisions of the law result in significant inefficiencies within the Bureau of Insurance that may otherwise be streamlined with this legislation; and

Whereas, to implement these provisions immediately requires that this legislation be enacted as emergency legislation; 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. 24-A MRSA §237, sub-§§4 and 5, as amended by PL 1991, c. 334, §4, are further amended to read:

4. Notification of assessment. On or before July 1st of each year, the superintendent shall ~~notify forward to each insurer an itemized bill of the amount due for the annual assessment due,~~ the amount due for filing of the annual statement pursuant to sections 423 and 601 and the amount due for the certificate of authority annual continuation fee pursuant to section 601. When an extension of the time of filing an annual statement is granted for good cause by the superintendent pursuant to section 423, subsection 1, the insurer must be assessed a provisional amount of \$100. Upon receipt of the insurer's annual statement, the provisional assessment must be adjusted to effect a final assessment for the fiscal year at the same rate

utilized by the superintendent and ~~which was levied upon all insurers by the general assessment of July 1st.~~

5. Time of payment. ~~Payment~~ Time of payment for the annual assessment, the annual statement filing fee and the annual continuation fee must be made on or before August 10th.

Sec. 2. 24-A MRSA §237, sub-§6, as enacted by PL 1985, c. 446, §2, is amended to read:

6. Revocation or suspension. If the annual assessment, annual statement filing fee or annual continuation fee is not paid to the superintendent on or before the prescribed date, the license or certificate of authority of ~~any an~~ insurer to transact business in this State may be revoked or suspended by the superintendent after a hearing ~~thereon~~ or upon waiver of hearing by the insurer until the annual assessment, annual statement filing fee and annual continuation fee is paid. ~~There shall be no~~ A reinstatement of certificate of authority may not be made prior to payment of the balance of the annual assessment, annual statement filing fee or continuation fee.

Sec. 3. 24-A MRSA §415, sub-§1, as amended by PL 1981, c. 501, §39, is further amended to read:

1. A certificate of authority ~~shall continue~~ continues in force as long as the insurer is entitled ~~thereto~~ under this Title, and until suspended or revoked by the ~~Administrative Court~~ superintendent or terminated at the insurer's request, ~~subject to continuance of the certificate by the insurer biennially by:~~

~~A. Payment on or before March 1st of the continuation fee provided in section 601;~~

~~B. Due filing by the insurer of its annual statements as required by section 423; and~~

~~C. Payment by the insurer of premium taxes as required by section 602.~~

Sec. 4. 24-A MRSA §415, sub-§2, as repealed and replaced by PL 1977, c. 222, §1, is repealed.

Sec. 5. 24-A MRSA §423, sub-§4, as enacted by PL 1969, c. 132, §1, is amended to read:

4. ~~At time of filing~~ Before August 10th, and at the same time the insurer makes payment for its annual assessment, the insurer shall pay the fee for filing its annual statement as prescribed by section 601 (fee schedule).

Sec. 6. 24-A MRSA §601, sub-§1, ¶B, as amended by PL 1991, c. 334, §5, is further amended to read:

B. Issuance, and each ~~biennial~~ annual continuation ~~\$200~~ \$100; and

Sec. 7. 24-A MRSA §742, as amended by PL 1995, c. 329, §5, is further amended to read:

§742. Reinsurance intermediaries; licensing

1. Qualifications for license. For the protection of the people of this State, the superintendent may not issue, continue or permit to exist any reinsurance intermediary license except in compliance with this subchapter, ~~and as to any individual, unless the individual is an agent or broker in this State duly licensed pursuant to chapter 17.~~

~~**2. License requirement.** A person may not act as a reinsurance intermediary broker in this State unless licensed pursuant to this subchapter. A person may not act as a reinsurance intermediary manager in this State unless licensed pursuant to this subchapter.~~

2-A. License requirement. A person or organization may be authorized by the superintendent to act as a reinsurance intermediary under the following circumstances.

A. A person or organization acting in this State as a reinsurance intermediary broker who has an office in this State must be licensed as a resident agent, broker or reinsurance intermediary broker in order to do business in this State.

B. A person or organization acting in this State as a reinsurance intermediary broker who does not maintain an office in this State must either:

(1) Be licensed in this State as a nonresident agent, broker or reinsurance intermediary broker; or

(2) Be licensed in another state with substantially similar laws.

C. A person or organization acting in this State as a reinsurance intermediary manager, by representing a domestic insurer or by maintaining an office in this State, must be licensed as a resident agent, broker or reinsurance intermediary broker in order to do business in this State.

D. A person or organization acting in this State as a reinsurance intermediary manager who does not maintain an office in this State and who does not represent a domestic insurer must either:

(1) Be licensed as a nonresident agent, broker or reinsurance intermediary manager in this State; or

(2) Be licensed as an agent, broker or reinsurance intermediary manager in another state with substantially similar laws.

3. License forms. The superintendent shall prescribe, consistent with the applicable requirements of this subchapter, and furnish all printed forms required under this subchapter in connection with application for and issuance of licenses.

4. Application for licensure. Application for licensure is governed by this subsection.

A. Written application for a reinsurance intermediary license must be made to the superintendent by the applicant and be accompanied by the applicable license application and issuance fee shown in section 601. The application must be signed and duly sworn to by the applicant.

A-1. Prior to filing an application with the superintendent, the superintendent may require each applicant to take a written examination to test the applicant's competence to act as a reinsurance intermediary.

~~B. If the applicant is an individual and if the application is not submitted simultaneously with an application for an agent or broker license pursuant to chapter 17, the application must include full answers to questions reasonably necessary to determine the following: the applicant's identity; age; residence; present occupation and occupations over the 5 years preceding the date of the application; financial responsibility; and insurance experience; and education in insurance and insurance laws of this State the applicant has had or expects to receive. The application must include full answers to questions necessary to understand the purpose for which the license is to be used, whether the applicant will devote all or part of the applicant's efforts to transactions under the license and, if part only, how much time the applicant will devote to transactions and in what other business or businesses the applicant is or will be engaged or employed. The application must contain any other facts as the superintendent may require relative to the applicant's qualifications for the license as those qualifications are stated in this subchapter.~~

C. If the applicant is a firm, association, partnership or corporation, the application must include, in addition, the names and residence addresses of all members, officers and directors and designate the name and residence address of each individual who is to exercise the license powers. Each individual shall furnish information ~~with respect to the concerning that~~ individual as for an individual license. Every individual named in the application is authorized to act in the name of the

organization licensed as a reinsurance intermediary in this State.

~~D. If the application is not submitted simultaneously with an application for an agent or broker license, the~~ The application must indicate whether any insurance license was ever refused, suspended, revoked or continuance refused and whether any insurer, general agent, individual or organization claims that the applicant is indebted to it; and, if so, the details of the indebtedness and the applicant's defense to that indebtedness.

5. Additional requirements. The superintendent may require a reinsurance ~~intermediary manager~~ intermediary manager to:

A. File a surety bond issued by a licensed insurer, in an amount and format acceptable to the superintendent, for the protection of the reinsurer; or

B. Maintain an errors and omissions policy issued by an insurer licensed in this State in an amount acceptable to the superintendent.

6. Nonresident applicant. If the applicant for a reinsurance intermediary license is a nonresident, the applicant, as a condition precedent to receiving or holding a license, must designate the superintendent as agent for service of process in the manner and with the same legal effect provided for by this Title for designation of service of process upon unauthorized insurers. The applicant shall furnish the superintendent with the name and address of a resident of this State upon whom notices or orders of the superintendent or process affecting the nonresident reinsurance intermediary may be served. If a nonresident applicant becomes licensed, the licensee shall promptly notify the superintendent in writing of every change in its designated agent for service of process. Such a change is not effective until acknowledged by the superintendent.

7. Attorneys exempted. Licensed attorneys-at-law of this State when acting in their professional capacity are exempt from this section.

Sec. 8. 24-A MRSA §743, as enacted by PL 1991, c. 828, §20, is amended to read:

§743. General provisions

The superintendent may issue a reinsurance intermediary license to any person or organization that complies with the requirements of this subchapter.

1. Licensing; persons that are not individuals. Licensing of a firm, association, partnership or corporation is subject to this subsection.

A. A license issued to a firm, association, partnership or corporation authorizes all the members of the firm, association, partnership or corporation and any employees of those entities to act as reinsurance intermediaries if each individual is also licensed named in the application and registered with the superintendent. Those individuals exercise the license power only for and in the name of the organization. This paragraph does not prevent an individual from being separately licensed and acting in that individual's own behalf and name.

B. The superintendent may not license a firm, association, partnership or corporation unless the license is within purposes stated in the partnership agreement or certificate of organization. All licensees are subject to the applicable standards of section 407, subsection 2.

C. All licensees under this subsection are subject to the same restrictions with regard to deceptively similar business names as applied to insurers under section 408, subsection 4.

2. Advertising. Licensees may advertise only in the name under which they are licensed.

3. Notice of change. Licensees shall promptly notify the superintendent of every change in address and notify the superintendent of every change among its members, directors and officers and of other individuals designated in or registered as to the license.

4. Refusal. The superintendent may refuse to issue a license to a reinsurance intermediary if, in the superintendent's judgment, the applicant, any ~~one~~ person named on the application, or ~~any~~ a member, principal, officer or director of the applicant, is not trustworthy, has given cause for revocation or suspension of such license or has failed to comply with any prerequisite for the issuance of such license, or that any controlling person of an applicant is not trustworthy to act as a reinsurance intermediary.

5. Superintendent review. If the superintendent finds that the application is complete and that the applicant is otherwise qualified for the license applied for, the superintendent shall promptly issue the license. Otherwise, the superintendent shall refuse to issue the license, promptly notify the applicant of the refusal and state the grounds for refusal.

6. Refund. If the license is refused, the superintendent shall promptly refund to the applicant all fees received for application for a reinsurance intermediary license.

7. Duration. Unless revoked or suspended, a reinsurance intermediary license remains in effect as

long as ~~the licensee continues to hold a valid Maine broker or agent license and~~ the licensee pays the ~~biennial~~ annual fee required by section 601 before the anniversary date of the license.

Sec. 9. 24-A MRSA §2916-C is enacted to read:

§2916-C. Discontinuance of a line of business

If an insurer files a plan with the superintendent to discontinue business in a line of insurance subject to this subchapter, the superintendent may authorize the nonrenewal of policies in that line of business if the plan filed by the insurer demonstrates the availability of equivalent replacement policies for all policyholders at the same or lower rates. The nonrenewal of a policyholder pursuant to this section may not be considered by an insurer in future coverage determinations. An insurer may resume transacting business in a line of insurance discontinued pursuant to this section upon written notification to the superintendent.

Sec. 10. 24-A MRSA §3055-A is enacted to read:

§3055-A. Discontinuance of a line of business

If an insurer files a plan with the superintendent to discontinue business in a line of insurance subject to this subchapter, the superintendent may authorize the nonrenewal of policies in that line of business if the plan filed by the insurer demonstrates the availability of equivalent replacement policies for all policyholders at the same or lower rates. The nonrenewal of a policyholder pursuant to this section may not be considered by an insurer in future coverage determinations. An insurer may resume transacting business in a line of insurance discontinued pursuant to this section upon written notification to the superintendent.

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

Effective March 19, 1996.

CHAPTER 545

H.P. 1248 - L.D. 1710

**An Act to Simplify Applications for
Tax Exemptions for Blind
Individuals**

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