

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

SECOND SPECIAL SESSION
September 5, 1996 to September 7, 1996

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

FIRST REGULAR SESSION
December 4, 1996 to March 27, 1997

FIRST SPECIAL SESSION
March 27, 1997 to June 20, 1997

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 26, 1997

FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 19, 1997

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
1997

Sec. 2. 12 MRSA §6954-A, sub-§1, as amended by PL 1991, c. 784, §9, is further amended to read:

1. Violation. Unless permitted by rules adopted under subsection 1-A, it is unlawful to take scallops by any means or to operate any watercraft when towing a drag or trawl within the following area: starting at the easternmost point on Red Point, Swan's Island; thence in an easterly direction to the southernmost point of the western Sister's Island; thence in a southeasterly direction to the southernmost point of Crow Island; thence in a southerly direction to the northernmost point of Harbor Island, Frenchboro, Long Island; thence southerly to the state ferry terminal located on the eastern side of Lunt's Harbor, Frenchboro, Long Island, and then starting at the westernmost point of Gooseberry Point on Frenchboro, Long Island; westerly to the northeast point of John's Island; thence northwest to the easternmost point of the largest of the Baker Islands; thence northwesterly to the northeastern point of Harbor Island, Swan's Island; thence northerly to Quarry Wharf, Minturn, Swan's Island. A drag or trawl must be lifted out of the water to transit the cable area.

See title page for effective date.

CHAPTER 79

S.P. 237 - L.D. 806

An Act to Include Health Maintenance Organizations in the Bureau of Insurance's Regulatory Assessment

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

Sec. 1. 24 MRSA §2332, sub-§2, as enacted by PL 1985, c. 446, §1, is amended to read:

2. Subscription income. Based on the annual statement filed by each nonprofit hospital or medical service organization or health care plan pursuant to section 2306, the superintendent shall ascertain the amount of subscription income received in that year. For the purpose of this section only, "subscription income" means and includes subscription premium and other considerations received by hospital or medical service organizations and health care plans, on account of certificates or contracts covering risks located, resident or to be performed in this State, after deducting subscription or other contract consideration returns. "Subscription income" does not include direct gross written premium used to calculate the assessment, pursuant to Title 24-A, section 237, for a health maintenance organization operated and organized as a

division or line of business of a nonprofit hospital or medical or health care service organization.

Sec. 2. 24-A MRSA §237, as amended by PL 1995, c. 544, §§1 and 2, is further amended to read:

§237. Assessment for expense of maintaining the Bureau of Insurance

The expense of maintaining the Bureau of Insurance must be assessed annually by the Superintendent of Insurance against all insurers and health maintenance organizations licensed to do business in this State in proportion to their respective direct gross premium written on business in this State during the year ending December 31st immediately preceding the fiscal year for which assessment is made. The annual assessment upon all insurers must be applied to the budget of the bureau for the fiscal year commencing July 1st. For any biennial period, total assessment must be in an amount not exceeding .002 of total direct premiums written. When the superintendent calculates the amount of the annual assessment, the superintendent must consider, among other factors, the staffing level required to administer the responsibilities of the bureau.

1. Expense of examination. The expense of examination of an insurer or of any person regulated by section 222 ~~shall continue~~ continues to be borne by the person examined. The expense of examination consistent with section 228 ~~shall may~~ not be considered when determining the assessment for maintaining the Bureau of Insurance.

2. Direct gross premium. Based on the annual statement filed by each insurer pursuant to section 423 or health maintenance organization pursuant to section 4208, the superintendent shall ascertain the amount of direct gross premium it received in that year. For the purpose of this section only, "direct gross premiums" means and includes policy, membership, annuity considerations and other fees, policy dividends applied in payment for insurance and other considerations for insurance received by insurers or health maintenance organizations, on account of policies or contracts covering subjects of insurance, or risks located, resident or to be performed in this State, after deducting return premiums or dividends actually returned or credited to policyholders.

3. Minimum assessment. In any year in which an insurer or health maintenance organization has no direct gross premium writings in this State, or in which direct gross premium written is not sufficient to produce at the rate prescribed an amount equal to or in excess of \$100, the minimum assessment payable by any insurer ~~shall be~~ or health maintenance organization is \$100.

4. Notification of assessment. On or before July 1st of each year, the superintendent shall forward to each insurer or health maintenance organization an itemized bill of the amount due for the annual assessment, 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, or section 4208, the insurer or health maintenance organization must be assessed a provisional amount of \$100. Upon receipt of the insurer's or health maintenance organization'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 levied upon all insurers by the general assessment of July 1st.

5. Time of 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.

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 an insurer or health maintenance organization to transact business in this State may be revoked or suspended by the superintendent after a hearing or upon waiver of hearing by the insurer or health maintenance organization until the annual assessment, annual statement filing fee and annual continuation fee is paid. 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.

7. Recalculation of assessment. Immediately following the close of the fiscal year ending June 30, 1987, and at the close of each 2nd succeeding fiscal year, the superintendent shall recalculate the assessment made against each party assessed after giving recognition to actual expenditures of the bureau during the preceding biennial period. On or before October 1st, the superintendent shall render to each party assessed a statement showing the difference between their respective recalculated assessment and the amount they had paid with respect to the preceding biennium. Any overpayment of annual assessment resulting from complying with the requirements of this section ~~shall must~~ be refunded or, at the option of the assessed party, applied as a credit against the assessment for the succeeding fiscal year. Any overpayment of \$100 or less ~~shall must~~ be applied as a credit against the assessment for the succeeding fiscal year.

8. Deposit with Treasurer of State. The superintendent shall deposit all payments made pursuant to this section with the Treasurer of State. The money ~~shall must~~ be used for the sole purpose of paying the expenses of the Bureau of Insurance.

9. Exclusions. This section does not apply to fraternal benefit societies, as defined in section 4101; assessment mutual insurance companies, as defined in section 3603; and joint underwriting associations, subject to section 2322; ~~and health maintenance organizations, as defined in section 4203.~~

10. Applicability. This section applies with respect to insurers for fiscal years commencing on or after July 1, 1986 and to health maintenance organizations for fiscal years commencing on or after July 1, 1997.

Sec. 3. 24-A MRSA §4222-B, sub-§10 is enacted to read:

10. The requirements of section 237 apply to health maintenance organizations, including those operated and organized as a division or line of business of a nonprofit hospital, medical or health care service organization.

See title page for effective date.

CHAPTER 80

S.P. 253 - L.D. 822

An Act to Grant Visually Impaired Operators of Government Vending Facilities Access to State Health Insurance at Their Own Expense

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

Sec. 1. 5 MRSA §285, sub-§1, ¶F-3, as enacted by PL 1993, c. 410, Pt. L, §10, is amended to read:

F-3. Any employee of the Maine State Retirement System; ~~and~~

Sec. 2. 5 MRSA §285, sub-§1, ¶G, as amended by PL 1993, c. 410, Pt. L, §11, is further amended to read:

G. Subject to subsection 1-A, employees in any of the categories denominated in paragraphs A to F-1 and paragraph F-3 who:

- (1) On April 26, 1968, have retired and who were covered under group health plans that by virtue of Public Law 1967, chapter 543 were terminated;