

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

(2) After April 26, 1968, retire and who on the date of their retirement are currently enrolled in this group health plan as employees;

(3) After December 2, 1986, and after reaching normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine State Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986; or

(4) After December 2, 1986, and not yet normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine State Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986; and

Sec. 3. 5 MRSA §285, sub-§1, ¶H is enacted to read:

H. A blind person operating a vending facility pursuant to Title 26, section 1418-F under the direction of the Department of Labor, Division for the Blind and Visually Impaired.

Sec. 4. 5 MRSA §285, sub-§7, as amended by PL 1995, c. 368, Pt. G, §2, is further amended to read:

7. Payment by State. Except as otherwise provided in this subsection, the State, through the commission, shall pay 100% of only the employee's share of this health plan, except for Legislators, for whom the State shall pay 50% of the health plan premium for dependent coverage. For any person appointed to a position after November 1, 1981, who is employed less than full time, the State shall pay a share of the employee's share reduced pro rata to reflect the reduced number of work hours. The State may not pay any portion of the health plan premium for a blind person eligible for the group health plan under subsection 1, paragraph H.

For persons who were first employed before July 1, 1991, the State shall pay 100% of only the retiree's share of the premiums for this health plan for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G.

For persons who were first employed by the State after July 1, 1991, the State shall pay a pro rata share

portion of only the retiree's share of the premiums, as described in this section, for this health plan for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G based on the total number of years of participation in the group health plan prior to retirement as follows:

Years of Participation	State Portion
10 or more years	100% group health plan premium
9 but less than 10 years	90% group health plan premium
8 but less than 9 years	80% group health plan premium
7 but less than 8 years	70% group health plan premium
6 but less than 7 years	60% group health plan premium
5 but less than 6 years	50% group health plan premium
Less than 5 years	No contribution

See title page for effective date.

CHAPTER 81

H.P. 815 - L.D. 1103

An Act to Apply Risk-based Capital Standards to Insurers

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

Sec. 1. 24-A MRSA §6451, sub-§§3 and 4, as enacted by PL 1993, c. 634, Pt. A, §1, are amended to read:

3. Domestic insurer. "Domestic insurer" means any ~~life or health~~ insurance company ~~organized~~ domiciled in this State.

4. Foreign insurer. "Foreign insurer" means any ~~life or health~~ insurance company that is authorized to do business in this State under section 404 but is not domiciled in this State.

Sec. 2. 24-A MRSA §6451, sub-§4-A is enacted to read:

4-A. Life or health insurer. "Life or health insurer" means any insurance company described in

section 409, subsection 3 and authorized to do business in this State under section 410, or a licensed property and casualty insurer writing only accident and health insurance.

Sec. 3. 24-A MRSA §6451, sub-§6, as enacted by PL 1993, c. 634, Pt. A, §1, is amended to read:

6. Negative trend. "Negative trend" means, with respect to a life or health insurer, a negative trend over a period of time, as determined in accordance with the trend test calculation included in the risk-based capital instructions.

Sec. 4. 24-A MRSA §6451, sub-§6-A is enacted to read:

6-A. Property and casualty insurer. "Property and casualty insurer" means any insurance company authorized to do business in this State under section 410 except a life or health insurer or single line mortgage guaranty insurer, financial guaranty insurer or title insurer.

Sec. 5. 24-A MRSA §6452, sub-§2, as enacted by PL 1993, c. 634, Pt. A, §1, is amended to read:

2. Determination of a life or health insurer's risk-based capital. ~~A~~ A life or health insurer's risk-based capital must be determined in accordance with the formula set forth in the risk-based capital instructions. The formula must take into account, and may adjust for the covariance between, the following:

- A. The risk with respect to the insurer's assets;
- B. The risk of adverse insurance experience with respect to the insurer's liabilities and obligations;
- C. The interest rate risk with respect to the insurer's business; and
- D. All other business risks and such other relevant risks as are set forth in the risk-based capital instructions, determined in each case by applying the factors in the manner set forth in the risk-based capital instructions.

Sec. 6. 24-A MRSA §6452, sub-§4 is enacted to read:

4. Determination of a property and casualty insurer's risk-based capital. A property and casualty insurer's risk-based capital is determined in accordance with the formula set forth in the risk-based capital instructions. The formula must take into account and may adjust for the covariance between the following:

- A. Asset risk;

B. Credit risk;

C. Underwriting risk; and

D. All other business risks and such other relevant risks as are set forth in the risk-based capital instructions, determined in each case by applying the factors set forth in the risk-based capital instructions.

Sec. 7. 24-A MRSA §6453, sub-§1, ¶A, as enacted by PL 1993, c. 634, Pt. A, §1, is amended to read:

A. The filing of a risk-based capital report by an insurer that indicates that:

- (1) The insurer's total adjusted capital is greater than or equal to its regulatory action level risk-based capital but less than its company action level risk-based capital; or
- (2) ~~The~~ A life or health insurer has total adjusted capital that is greater than or equal to its company action level risk-based capital but less than the product of its authorized control level risk-based capital and 2.5 and has a negative trend;

Sec. 8. 24-A MRSA §6456, sub-§2, as enacted by PL 1993, c. 634, Pt. A, §1, is amended to read:

2. Superintendent duties; mandatory control level event. When a mandatory control level event occurs, the superintendent shall take those actions that are necessary to cause the insurer to be placed under regulatory control under chapter 57. If the superintendent takes those actions, the mandatory control level event is deemed sufficient grounds for the superintendent to take action under chapter 57, and the superintendent has the rights, powers and duties with respect to the insurer as are set forth in chapter 57. If the superintendent takes actions pursuant to an adjusted risk-based capital report, the insurer is entitled to those protections that are afforded to insurers under the provisions of chapter 57, subchapter II pertaining to summary proceedings. Notwithstanding any provision of this section to the contrary, the superintendent may forego action for up to 90 days after the mandatory control level event if the superintendent finds there is a reasonable expectation that the mandatory control level event may be eliminated within the 90-day period, or, in the case of a property and casualty insurer that is not authorized to write new business, the superintendent may allow the insurer to continue to run off its existing business under the superintendent's supervision.

Sec. 9. 24-A MRSA §6459, as enacted by PL 1993, c. 634, Pt. A, §1, is repealed and the following enacted in its place:

§6459. Supplemental provisions

1. Existing authority supplemented. The provisions of this chapter are supplemental to any other provisions of the laws of this State and do not preclude or limit any other powers or duties of the superintendent under those laws, including, but not limited to, sections 417, 3423 and 3424 and chapter 57.

2. Rules. The superintendent may adopt rules to carry out the purposes of this chapter. Rules adopted pursuant to this chapter are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

3. Exemptions. The superintendent may exempt from the application of this chapter any domestic property and casualty insurer that:

- A. Writes business only in the State;
- B. Writes direct annual premium of \$2,000,000 or less; and
- C. Assumes no reinsurance in excess of 5% of direct premium written.

See title page for effective date.

CHAPTER 82

S.P. 340 - L.D. 1118

An Act to Amend the Oil and Solid Fuel Board Laws

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

Sec. 1. 32 MRSA §2311, sub-§8, as amended by PL 1991, c. 509, §20, is further amended to read:

8. Master oil burner technician. "Master oil burner technician" means a person who is licensed under this chapter to engage in the business of installing or servicing oil burning equipment. Applicants for a license of this classification shall present to the board satisfactory evidence that they have 4 years licensed practical experience and ~~related knowledge, or such other requirement as the Oil and Solid Fuel Board may establish.~~ Effective January 1, 1994, an applicant for a license of this classification shall present to the board satisfactory evidence that the applicant has 2 years of licensed practical experience evidence that the licensed practical experience for at least 2 of those 4 years was as a licensed journeyman

oil burner technician ~~and related knowledge~~, or other such requirement as the Oil and Solid Fuel Board may establish.

Sec. 2. 32 MRSA §2311, sub-§9, as amended by PL 1991, c. 509, §21, is further amended to read:

9. Master solid fuel burner technician. "Master solid fuel burner technician" means a person who is licensed under this chapter to engage in the business of installing and servicing solid fuel burning equipment. An applicant for a ~~license of examination~~ for this classification must be a person who presents to the board satisfactory evidence of at least 2 years of licensed practical experience and related knowledge; or a person having a master oil burner technician's license issued under this chapter ~~who presents to the board satisfactory evidence of knowledge of solid fuel burning equipment;~~ or a person having a bachelor degree in engineering from an accredited university who presents to the board satisfactory evidence of knowledge of solid fuel burning equipment.

Sec. 3. 32 MRSA §2317, first ¶, as enacted by PL 1979, c. 569, §4, is amended to read:

Any person, firm or corporation who makes an oil or solid fuel burner installation without ~~having first obtained a license, being licensed~~ as provided by this chapter; any person, firm or corporation in the oil or solid fuel burner installation business who employs an unlicensed person, unless the work is exempted ~~by~~ under this chapter; any person who procures any license as provided in this chapter wrongfully or by fraud; or any person, firm or corporation who violates the provisions of this chapter, ~~or rules or regulations promulgated thereunder adopted under this chapter,~~ or standards adopted by the board, ~~commits a civil violation for which a forfeiture of not less than \$100 nor more than \$500 may be adjudged~~ is guilty of a Class E crime.

Sec. 4. 32 MRSA §2402, sub-§2, as amended by PL 1991, c. 198, §19, is further amended to read:

2. Fees. An application fee and an examination fee may be established by the board in amounts ~~which~~ that are reasonable and necessary for their respective purposes. Original and renewal license fees may be established by the board in amounts ~~which~~ that are reasonable and necessary for their respective purposes. The fees may not exceed the following amounts:

- A. Master, original license and biennial renewal fee, \$200;
- B. Journeyman, original license and biennial renewal fee, \$100; and