

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**

**ONE HUNDRED AND EIGHTEENTH LEGISLATURE**

**SECOND REGULAR SESSION**  
**January 7, 1998 to March 31, 1998**

**SECOND SPECIAL SESSION**  
**April 1, 1998 to April 9, 1998**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JUNE 30, 1998**

**SECOND SPECIAL SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 9, 1998**

**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**  
**1997**

Legislature by ~~December 15, 1997~~ January 23, 1998. The Joint Standing Committee on Health and Human Services may report out legislation based on the report of the commission.

**Sec. 3.** PL 1997, c. 560, Pt. E, §7 is amended to read:

**Sec. E-7. Report.** The task force shall submit its recommendations with any necessary implementing legislation, to the Governor and the Legislature by ~~January 15~~ February 13, 1998. The Joint Standing Committee on Health and Human Services may report out legislation based on the report of the task force.

**Sec. 4.** P&SL 1997, c. 51, §1, sub-§7 is amended to read:

**7. Report.** The task force shall submit a report with any accompanying legislation to the Governor, the Legislative Council and The Joint Standing Committee on Business and Economic Development to the Second Regular Session of the 118th Legislature by January ~~23~~, 1998.

**Sec. 5.** Resolve 1997, c. 65, §8 is amended to read:

**Sec. 8. Report. Resolved:** That the commission shall submit a report to the Joint Standing Committee on Labor by January ~~15~~, 1998 with specific recommendations including legislation if necessary; and be it further

**Sec. 6.** Resolve 1997, c. 82, §7 is amended to read:

**Sec. 7. Report. Resolved:** That the commission shall submit its report with any accompanying legislation to the Joint Standing Committee on Health and Human Services and to the Second Regular Session of the 118th Legislature by ~~December 1, 1997~~ January 23, 1998; and be it further

**Sec. 7. Retroactivity.** This Act applies retroactively to December 1, 1997.

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

Effective March 4, 1998.

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## CHAPTER 583

S.P. 693 - L.D. 1928

### An Act Relating to Captive Insurance Companies

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

**Sec. 1.** 24-A MRSA §6702, sub-§1, ¶B, as enacted by PL 1997, c. 435, §1, is amended to read:

B. Holds at least one meeting of its board of directors, or other governing body, each year in this State. For pure captive insurance companies and pure nonprofit captive insurance companies, the annual in-state meeting requirement may be satisfied by a teleconferenced or videoconferenced meeting if at least one Maine resident member of the board of directors, or other governing body, participates in the meeting from this State;

**Sec. 2.** 24-A MRSA §6702, sub-§6, ¶¶G and H, as enacted by PL 1997, c. 435, §1, are amended to read:

G. Title insurance as defined by section 709; ~~and~~

H. Credit Reinsurance of credit life insurance and credit health insurance, as defined by section 2853, relating to specific loans or other credit transactions between its parent or affiliated companies and any of their directors, officers and employees, to the extent provided in section 6711;

**Sec. 3.** 24-A MRSA §6702, sub-§6, ¶¶I and J are enacted to read:

I. Reinsurance of life insurance as defined by section 702, annuities as defined by section 703 and health insurance as defined by section 704 written in connection with the employee benefit plan or plans of the single or association parent of a captive insurer to the extent provided in section 6711; and

J. Financial guaranty insurance as defined in section 709-A.

**Sec. 4.** 24-A MRSA §6707, sub-§2, as enacted by PL 1997, c. 435, §1, is amended to read:

**2. Annual report.** An association captive insurance company or ~~risk retention~~ industrial insured captive insurance company shall file an annual statement in accordance with statutory accounting practices, which must be a true statement of its financial condition, transactions and affairs as of the immediately preceding December 31st, in general form and context as approved by the National Association of Insurance Commissioners, or other format prescribed by the superintendent, verified by oaths of at least 2 of the insurer's principal officers.

**Sec. 5. 24-A MRSA §6715**, as enacted by PL 1997, c. 435, §1, is amended to read:

**§6715. Confidential information**

All information submitted to the superintendent pursuant to section 6702, subsection ~~4~~ 3 is confidential and is not a public record within the meaning of Title 1, chapter 13, subchapter I. Each report or statement filed with the superintendent pursuant to section 6707, except those filed by or with respect to industrial insured groups as defined in section 6701, subsection 8, is confidential and is not a public record within the meaning of Title 1, chapter 13, subchapter I. The confidential nature of this information does not limit the ability of the superintendent, in the superintendent's discretion, to disclose such information to a public official in another state, as long as the public official agrees in writing to maintain the confidentiality of such information and the laws of the state in which the public official serves designate such information as confidential.

**Sec. 6. 36 MRSA §2513-B, sub-§2**, as enacted by PL 1997, c. 435, §2, is amended to read:

**2. Reinsurance.** A captive insurance company shall pay to the State Tax Assessor a tax at the rate of .225 of 1% on the first \$20,000,000 of assumed reinsurance premium, .150 of 1% on the next \$20,000,000, ~~.50~~ .050 of 1% on the next \$20,000,000 and ~~.25~~ .025 of 1% of each \$1 thereafter. However, no reinsurance tax applies to premiums for risks or portions of risks that are subject to taxation on a direct basis pursuant to subsection 1. No reinsurance premium tax is payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of another insurer under common ownership and control if that transaction is part of a plan to discontinue the operations of another insurer and if part of the intent of the parties to that transaction is to renew or maintain that business with the captive insurance company.

See title page for effective date.

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**CHAPTER 584**

**H.P. 1388 - L.D. 1941**

**An Act to Amend the Membership Requirement for the Cumberland County Budget Advisory Committee**

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

**Sec. 1. 30-A MRSA §741-A, sub-§1, ¶A**, as enacted by PL 1995, c. 380, §4 and affected by §10, is amended to read:

A. There must be 3 members from each commissioner's district. No more than 2 members may reside in the same municipality.

See title page for effective date.

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**CHAPTER 585**

**S.P. 744 - L.D. 2022**

**An Act to Make Corrections to the Laws Governing the Maine Bail Code**

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

**Whereas**, it is imperative that the changes made to the Maine Bail Code by this Act take effect immediately; 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. 15 MRSA §1002, last 2 ¶¶**, as enacted by PL 1997, c. 543, §2, are repealed.

**Sec. 2. 15 MRSA §1003, sub-§5**, as repealed and replaced by PL 1997, c. 543, §5, is repealed and the following enacted in its place:

**5. Ensure the integrity of the judicial process.** To "ensure the integrity of the judicial process," when used in the context of the granting or denial of bail, means safeguarding the role of the courts in adjudicating the guilt or innocence of defendants by ensuring the presence of the defendant in court and otherwise preventing the defendant from obstructing or attempting to obstruct justice by threatening, injuring or intimidating a victim, prospective witness, juror, attorney for the State, judge, justice or other officer of the court.

**Sec. 3. 15 MRSA §1026, sub-§2**, as amended by PL 1997, c. 543, §7, is further amended to read:

**2. Release on personal recognizance or unsecured appearance bond.** The judicial officer ~~may~~ shall order the pretrial release of the defendant on personal recognizance or upon execution of an unsecured appearance bond in an amount specified by