

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**  
**ONE HUNDRED AND TWENTIETH LEGISLATURE**  
**FIRST REGULAR SESSION**  
**December 6, 2000 to June 22, 2001**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**SEPTEMBER 21, 2001**

**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**  
**2001**

**Sec. 7. Report.** The Maine Land Use Regulation Commission shall review its subdivision review process, including ways to reduce processing time and cost and to increase predictability, and shall report its findings along with any suggested implementing legislation to the Joint Standing Committee on Agriculture, Conservation and Forestry no later than December 31, 2001. The Joint Standing Committee on Agriculture, Conservation and Forestry may report out a bill during the Second Regular Session of the 120th Legislature implementing the recommendations in the report.

**Sec. 8. Application.** Nothing in this Act is intended or may be interpreted to require a person to obtain a permit pursuant to the Maine Revised Statutes, Title 12, section 685-B for any division of land occurring prior to the effective date of this Act if that division of land did not require such a permit prior to the effective date of this Act.

See title page for effective date.

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## CHAPTER 432

H.P. 765 - L.D. 984

### An Act to Protect Nongroup and Small Group Insureds

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

**Sec. 1. 24 MRSA §2317-B, sub-§7-A** is enacted to read:

**7-A. Title 24-A, sections 2735-A and 2839-A.** Notice of rate filings and rate increases, Title 24-A, sections 2735-A and 2839-A:

**Sec. 2. 24 MRSA §2321, sub-§4, ¶D**, as enacted by PL 1997, c. 344, §6, is repealed.

**Sec. 3. 24 MRSA §2321, sub-§5, ¶D**, as enacted by PL 1997, c. 344, §6, is repealed.

**Sec. 4. 24-A MRSA §2735-A** is enacted to read:

**§2735-A. Notice of rate filing and rate increase**

**1. Notice of rate filing or rate increase on existing policies.** An insurer offering individual health plans as defined in section 2736-C must provide written notice by first class mail of a rate filing to all affected policyholders at least 60 days before the effective date of any proposed increase in premium rates or any proposed rating formula, classification of risks or modification of any formula or classification of risks. The notice must also inform policyholders of

their right to request a hearing pursuant to section 229 or a special rate hearing pursuant to section 2736, subsection 4 or Title 24, section 2321, subsection 5. The notice must show the proposed rate and state that the rate is subject to regulatory approval. The superintendent may not take final action on a rate filing until 40 days after the date notice is mailed by an insurer. An increase in premium rates may not be implemented until 60 days after the notice is provided or until the effective date under section 2736, whichever is later.

**2. Notice of rate increase on new business.**

When an insurer offering individual health plans as defined in section 2736-C quotes a rate for new business, it must disclose any rate increase that the insurer anticipates implementing within the following 90 days. If the quote is in writing, the disclosure must also be in writing. If the increase is pending approval at the time of notice, the disclosure must include the proposed rate and state that it is subject to regulatory approval. If disclosure required by this subsection is not provided, an increase may not be implemented until at least 90 days after the date the quote is provided or the effective date under section 2736, whichever is later.

**Sec. 5. 24-A MRSA §2736, sub-§3, ¶C**, as enacted by PL 1997, c. 344, §8, is repealed.

**Sec. 6. 24-A MRSA §2736, sub-§4, ¶D**, as enacted by PL 1997, c. 344, §8, is repealed.

**Sec. 7. 24-A MRSA §2839-A** is enacted to read:

**§2839-A. Notice of rate increase**

**1. Notice of rate increase on existing policies.**

An insurer offering group health insurance, except for accidental injury, specified disease, hospital indemnity, disability income, Medicare supplement, long-term care or other limited benefit group health insurance, must provide written notice by first class mail of a rate increase to all affected policyholders or others who are directly billed for group coverage at least 60 days before the effective date of any increase in premium rates. An increase in premium rates may not be implemented until 60 days after the notice is provided.

**2. Notice of rate increase on new business.**

When an insurer offering group health insurance, except for accidental injury, specified disease, hospital indemnity, disability income, Medicare supplement, long-term care or other limited benefit group health insurance, quotes a rate for new business, it must disclose any rate increase that the insurer anticipates implementing within the following 90 days. If the quote is in writing, the disclosure must also be in writing. If such disclosure is not provided, an increase

may not be implemented until at least 90 days after the date the quote is provided.

**Sec. 8. 24-A MRSA §4222-B, sub-§15** is enacted to read:

**15.** Sections 2735-A and 2839-A, relating to notice of rate filings and rate increases, apply to health maintenance organizations.

**Sec. 9. Allocation.** The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

	2001-02	2002-03
<b>PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF</b>		
<b>Bureau of Insurance</b>		
Positions - Legislative Count	(1,000)	(1,000)
Personal Services	\$47,880	\$63,840
All Other	13,335	15,780
Provides funds for one half-time Attorney position and one half-time Actuarial Assistant position and related administrative expenses associated with an expected increase in the number of rate hearings due to the requirement that an insurer notify policyholders of the right to request a rate hearing.		
<b>DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION</b>		
<b>TOTAL</b>	\$61,215	\$79,620

See title page for effective date.

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**CHAPTER 433**

**S.P. 648 - L.D. 1826**

**An Act to Provide Dairy Farmer Equity**

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

**Sec. 1. 7 MRSA §3153, sub-§2, ¶G** is enacted to read:

G. For any month in which there is only one Maine market dealer subject to collection under subsection 2, paragraph A and the milk sold or otherwise distributed by that dealer during that

month does not exceed 1,000,000 pounds, the additional payment at the adjusted base minimum price under subsection 2, paragraph A due to the Maine Milk Pool instead must be made by that dealer to its Maine market producers.

See title page for effective date.

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**CHAPTER 434**

**S.P. 630 - L.D. 1812**

**An Act to Prevent Infestation of Invasive Aquatic Plants and to Control Other Invasive Species**

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

**Whereas,** invasive aquatic plants and nuisance species pose a substantive threat to the environment and economy of the State; and

**Whereas,** the most common method of spreading invasive aquatic plants is on recreational boats, watercraft trailers and fishing equipment; and

**Whereas,** Maine's inland waters face an immediate threat of infestation by invasive aquatic plants during the 2001 summer boating season; 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:**

**PART A**

**Sec. A-1. 12 MRSA §7791, sub-§1-B** is enacted to read:

**1-B. Aquatic plant.** "Aquatic plant" means a vascular plant species that requires a permanently flooded freshwater habitat.

**Sec. A-2. 12 MRSA §7791, sub-§3-A** is enacted to read:

**3-A. Invasive aquatic plant.** "Invasive aquatic plant" means a species of aquatic plant described in Title 38, section 410-N.

**Sec. A-3. 12 MRSA §§7794-B and 7794-C** are enacted to read: