

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTIETH LEGISLATURE

FIRST SPECIAL SESSION
November 13, 2002 to November 14, 2002

ONE HUNDRED AND TWENTY-FIRST LEGISLATURE

FIRST REGULAR SESSION
December 4, 2002 to June 14, 2003

THE GENERAL EFFECTIVE DATE FOR
FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
FEBRUARY 13, 2003

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 13, 2003

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

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Lewiston, Maine
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may not exceed the market value of the benefit. The superintendent may require a demonstration that the present value of the additional reduction does not exceed the market value of the benefit and may disallow or limit the reduction if such a demonstration is not accepted.

D. The superintendent may adopt rules to implement this subsection and to provide for further adjustments to the minimum nonforfeiture amounts for contracts providing for substantive participation in an equity indexed benefit and for contracts for which the superintendent determines adjustments are appropriate. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

~~2. With respect to contracts providing for fixed scheduled considerations, minimum nonforfeiture amounts shall be calculated on the assumption that considerations are paid annually in advance and shall be defined as for contracts with flexible considerations which are paid annually with 2 exceptions:~~

~~A. The portion of the net consideration for the first contract year to be accumulated shall be the sum of 65% of the net consideration for the first contract year plus 22 1/2% of the excess of the net consideration for the first contract year over the lesser of the net considerations for the 2nd and 3rd contract years; and~~

~~B. The annual contract charge shall be the lesser of \$30 or 10% of the gross annual consideration.~~

~~3. With respect to contracts providing for a single consideration, minimum nonforfeiture amounts shall be defined as for contracts with flexible considerations, except that the percentage of net consideration used to determine the minimum nonforfeiture amount shall be equal to 90% and the net consideration shall be the gross consideration less a contract charge of \$75.~~

4. Notwithstanding this section, an insurer may elect to apply provisions of this section related to the rate of interest used to determine minimum nonforfeiture amounts on a contract form basis.

This subsection is repealed 2 years from the effective date of this subsection.

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

Effective May 27, 2003.

CHAPTER 308

H.P. 512 - L.D. 695

An Act To Amend the Laws Governing Minimum Lot Size

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

Sec. 1. 12 MRSA §4807, sub-§§1-A and 1-B are enacted to read:

1-A. Engineered disposal system. "Engineered disposal system" means a subsurface wastewater disposal system designed, installed and operated as a single unit to treat and dispose of at least 2,000 gallons of wastewater per day or a system designed to be capable of treating wastewater with significantly high 5-day biochemical oxygen demand and total suspended solid concentrations.

1-B. First-time subsurface waste disposal system. "First-time subsurface waste disposal system" means the first subsurface waste disposal system designed to serve a specific structure.

Sec. 2. 12 MRSA §4807-B, as amended by PL 1985, c. 481, Pt. A, §21, is repealed and the following enacted in its place:

§4807-B. Approval of smaller lots

1. Approval by local plumbing inspector. A lot of less than the size required in section 4807-A may be used for subsurface waste disposal if approved in writing by the local plumbing inspector for the municipality or unorganized territory, as long as:

A. The applicant has submitted a current application for subsurface wastewater disposal, or the equivalent, pursuant to rules adopted by the Department of Human Services;

B. The subsurface waste disposal meets the criteria for first-time subsurface waste disposal systems as adopted by rule by the Department of Human Services without requiring a variance; and

C. The subsurface waste disposal is not an engineered disposal system.

2. Approval by Department of Human Services. A lot that does not meet the criteria listed in subsection 1 may be used for subsurface waste disposal if the subsurface waste disposal is in compliance with the rules regarding subsurface waste disposal adopted by the Department of Human Services and is approved in writing by the Department of Human Services.

3. Review fee. The Department of Human Services or the municipality or unorganized territory may charge a review fee not to exceed \$50.

See title page for effective date.

CHAPTER 309

H.P. 381 - L.D. 492

An Act To Encourage Agricultural Cooperative Associations To Provide Group Health Plans

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

Whereas, group health plans sponsored by agricultural associations located outside of this State provide health insurance to enrollees living in this State; and

Whereas, changes to the law are necessary to prevent enrollees living in this State from losing their health insurance coverage; and

Whereas, this legislation clarifies the grievance procedure that must be available to enrollees in this State who have coverage through out-of-state agricultural cooperative association group health plans; 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 §4303, sub-§4, ¶D is enacted to read:

D. Notwithstanding this subsection, a group health plan sponsored by an agricultural cooperative association located outside of this State that provides health insurance coverage to members of one or more agricultural cooperative associations located within this State may employ a grievance procedure for enrollees in the group health plan that meets the requirements of the state in which the group health plan is located if enrollees in the group health plan that reside in this State have the right to independent external review in accordance with section 4312 following any adverse health care treatment decision. Any difference in the grievance procedure re-

quirements between those of the state in which the group health plan is located and those of this State must be limited to the number of days required for notification of prior authorization for nonemergency services and the number of days required for the issuance of a decision following the filing of an appeal of an adverse health care treatment decision. Enrollees in the group health plan that reside in this State must be notified as to the grievance procedure used by the group health plan and their right to independent external review in accordance with section 4312.

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

Effective May 27, 2003.

CHAPTER 310

S.P. 438 - L.D. 1347

An Act To Clarify the Authority of the Attorney General To Seek Restitution and To Require the Superintendent of Insurance To Investigate Certain Insurance Practices

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

Sec. 1. 24-A MRSA §214, sub-§2, as amended by PL 1973, c. 585, §12, is further amended to read:

2. If the superintendent has reason to believe that any person has violated any provision of this Title, or of other law as applicable to insurance operations, for which criminal prosecution is provided and would be in order, ~~he~~ the superintendent shall give the information relative thereto to the Attorney General. The Attorney General shall promptly institute such action or proceedings, including, but not limited to, actions or proceedings to seek restitution, against ~~such~~ that person as in ~~his~~ the Attorney General's opinion the information may require or justify.

Sec. 2. Report on insurance practices. The Superintendent of Insurance shall prepare a report that addresses the market conditions for property and casualty insurance in this State with a particular emphasis on homeowners' insurance and commercial insurance coverage for small businesses.

1. At a minimum, the report must include:

A. An assessment of recent market trends in those lines of insurance;