

Annual List of Rule-Making Activity
Rules Adopted January 1, 2014 to December 31, 2014
Prepared by the Secretary of State, pursuant to 5 MRSA, §8053-A, sub-§5

Agency name: Department of Professional and Financial Regulation, **Bureau of Financial Institutions**
Umbrella-Unit: **02-029**
Statutory authority: 9-B MRSA §§ 241(1), 241(5), 242(1)
Chapter number/title: **Ch. 118**, Funds Availability and Truth-in-Savings
Filing number: **2014-153**
Effective date: 9/1/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

This promulgation repeals and replaces Regulation 18. It conforms Regulation 18 to federal regulations, specifically, by incorporating by reference Federal Regulation CC (12 CFR Part 229, January 1, 2014), Federal Regulation DD (12 CFR Part 1030, January 1, 2014), and National Credit Union Administration Board provisions (12 CFR Part 707, January 1, 2014), which include any amendments that may have been made to these federal regulations since this rule was last promulgated. This promulgation replaces references to 12 CFR Part 230 with references to 12 CFR Part 1030 because administration of this regulation has been transferred from the Federal Reserve Board to the Consumer Financial Protection Bureau (CFPB). Accordingly, the Federal Reserve Board has proposed repealing 12 CFR Part 230 because it has been replaced by 12 CFR Part 1030 now administered by the CFPB.

Basis statement:

The purpose of this rule-making is to conform Regulation 18 to current federal regulations, specifically, by incorporating by reference Federal Regulation CC (12 CFR Part 229, January 1, 2014), Federal Regulation DD (12 CFR Part 1030, January 1, 2014), and National Credit Union Administration Board provisions (12 CFR Part 707, January 1, 2014). This rule-making replaces references to 12 CFR Part 230 that were in the previous rule with references to 12 CFR Part 1030 because administration of this federal regulation has been transferred from the Federal Reserve Board to the Consumer Financial Protection Bureau (CFPB) and re-codified accordingly.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A MRS §§ 212, 229(1), 6305, 6311
Chapter number/title: **Ch. 630**, Rural Medical Access Program
Filing number: **2014-086**
Effective date: 5/5/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The purpose of the amendments to this Rule is to amend the assessment and the assessment procedure for the Rural Medical Access Program with the intended result of adequate, but not excessive, collections to enable the Program to fulfill its statutory purpose.

Basis statement:

Introduction

Pursuant to a February 11, 2014 Notice of Rule-making, the Superintendent of Insurance held a March 14, 2014 hearing to receive comments on proposed amendments to Bureau of Insurance Rule 630, *Rural Medical Access Program* ("RMAP"). The following persons spoke at the hearing:

- Andrew B. MacLean, Deputy Executive Vice President and General Counsel of the Maine Medical Association
- David L. Johnson, Vice President of Underwriting at Medical Mutual Insurance Company of Maine (MMIC)

The Bureau accepted public comments until 4:30 p.m. March 25, 2014. The Bureau received written comments from MMIC on March 17, 2014.

Outline of Proposed Rule with Summary of Comments

RMAP has been in effect since 1989. Its purpose is to promote perinatal services in Maine's underserved areas. RMAP accomplishes this purpose by assessments on physicians licensed and practicing medicine in Maine and hospitals and physician's employers located in Maine. The assessments are a percentage of the physicians' and hospitals' professional liability insurance policies. Physicians providing obstetrical care in Maine's underserved areas, who meet certain qualifications, may apply for assistance with their professional liability premiums. The assistance is funded through the assessments collected.

RMAP assessments have exceeded requests for assistance in recent years. Therefore, effective October 9, 2013, the Legislature amended RMAP to allow the Superintendent to adopt routine technical rules that establish an assessment rate or methodology for calculating a rate designed to provide an adequate and reliable funding source for RMAP and to allow for the orderly and prudent drawdown of any long-term fund balance greater than reasonable program needs.

The proposed amendments to Rule 630 implement the Legislature's mandate. They require the Superintendent to review RMAP's fund balance yearly to determine an assessment rate consistent with the statutory requirements described above. This review may take into account such considerations as the then-current condition of and reasonably anticipated trends in the medical malpractice insurance market in Maine, the size of this market's assessment base, and recent and expected requests for assistance from RMAP. When the RMAP fund balance is above \$50,000, the assessment rate must be at or below 0.75 %, or assessments be waived. When the Program fund balance is \$50,000 or less, the assessment rate must be at least 0.75 % but not to exceed 1.0%. The Superintendent may in no event

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select an assessment rate expected to result in collections exceeding \$500,000 for the upcoming policy year. The Superintendent must also notify the principal writer of physician and hospital professional liability insurance and other affected parties of the assessment rate for the upcoming policy year.

In addition to these necessary amendments, the Superintendent proposed defining “program fund balance” to track the definition in 24-A M.R.S. §6305(3) and made various formatting changes.

Mr. MacLean expressed appreciation for the RMAP program and commented that two state agencies referred to in current Rule 630 have changed their names. The Department of Human Services is now the Department of Health & Human Services and the Board of Registration of Medicine is now the Board of Licensure in Medicine.

Mr. Johnson commented that MMIC supported the proposed amendments and that the company would need a month or so to implement programming changes to implement a new assessment rate. MMIC’s March 17, 2014 letter reiterated those comments, adding that the company would need at least six weeks lead time to implement an assessment change.

The Superintendent has made the changes that Mr. MacLean recommended.

On advice of the Attorney General, the final rule corrects an erroneous cross-reference Section 4(11).

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A MRS §§ 212, 229(1), 2953
Chapter number/title: **Ch. 375**, Group Property and Casualty Insurance (*New*)
Filing number: **2014-092**
Effective date: 5/19/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The purpose of this Rule is to designate types of property and casualty insurance that may be issued on a group basis in Maine and to establish specific requirements and procedures for group property and casualty insurance policies, certificates of coverage and rates.

Basis statement:

Maine law, 24-A M.R.S. §§ 2951 – 2953, allows insurers to write property and casualty insurance on a group basis in liability insurance issued to risk purchasing groups, in credit involuntary unemployment insurance issued to debtor groups, and in other lines designated by the Superintendent pursuant to rulemaking authority granted under 24-A M.R.S. §2953. To date, the Superintendent has not exercised this authority. However, group property and casualty insurance products have developed such that rule-making in this area would modernize the Maine market. The Superintendent has therefore proposed Rule 375, which would, in addition to the two lines specified in the statute, allow group property and casualty products in travel, identity theft, portable computer, tuition reimbursement, personal excess liability and self-storage insurance.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A M.R.S. §§ 212, 2412(7)
Chapter number/title: **Ch. 390**, Motor Vehicle Insurance Identification Cards (*Repeal*)
Filing number: **2014-115**
Effective date: 6/21/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The Bureau of Insurance repeals 02-031 CMR ch. 390, *Motor Vehicle Insurance Identification Cards*, and replacing it with new rule Ch. 391 in order to implement changes to 24-A M.R.S. §2412(7), effective October 9, 2013, allowing insurers issue electronic motor vehicle insurance identification cards to policyholders.

Basis statement:

The Bureau of Insurance repeals rule Ch. 390 and replaces it with new rule Ch. 391 in order to implement changes to 24-A M.R.S. §2412(7) effective October 9, 2013. These changes allow insurers to issue electronic motor vehicle insurance identification cards to policyholders. Ch. 391 establishes standards for paper and electronic motor vehicle insurance identification cards in accordance with 24A M.R.S. §2412(7) as amended by 2013 P.L. c. 72. No one commented on the proposed "repeal and replace" approach and it has been utilized in the final rule.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A M.R.S. §§ 212, 2412(7)
Chapter number/title: **Ch. 391**, Motor Vehicle Insurance Identification Cards (*New*)
Filing number: **2014-116**
Effective date: 6/21/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The Bureau of Insurance repeals 02-031 CMR ch. 390, *Motor Vehicle Insurance Identification Cards*, and replaces it with new rule Ch. 391 in order to implement changes to 24-A M.R.S. §2412(7), effective October 9, 2013, allowing insurers issue electronic motor vehicle insurance identification cards to policyholders.

Basis statement:

The Bureau of Insurance repeals rule Ch. 390 and replaces it with new rule Ch. 391 in order to implement changes to 24-A M.R.S. §2412(7) effective October 9, 2013. These changes allow insurers to issue electronic motor vehicle insurance identification cards to policyholders. Ch. 391 establishes standards for paper and electronic motor vehicle insurance identification cards in accordance with 24A M.R.S. §2412(7) as amended by 2013 P.L. c. 72. No one commented on the proposed "repeal and replace" approach and it has been utilized in the final rule.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A MRS §§ 212, 417, 6104, 6718(2)
Chapter number/title: **Ch. 165**, Prudential Standards of Domestic Risk Retention Groups
(New)
Filing number: **2014-142**
Effective date: 7/12/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The recent formation of Maine's first domestic risk retention group has created a need to establish financial and corporate governance standards for domestic risk retention groups in order to satisfy National Association of Insurance Commissioner accreditation standards.

Basis statement:

Introduction

Pursuant to an April 14, 2014 Notice of Rule making, the Superintendent of Insurance held a May 13, 2014 public hearing to receive comments on proposed Bureau of Insurance Rule Ch. 165, "Prudential Standards for Domestic Risk Retention Groups". No members of the public spoke at the hearing.

The Bureau accepted public comments until 4:30 p.m. May 27, 2014. No written comments were received. On advice of counsel, subsections, paragraphs, subparagraphs, and divisions have been renumbered for consistency with Secretary of State rule structure requirements. The Rule is otherwise adopted as proposed.

Basis of Rule

This Rule is authorized as a routine technical rule by 24-A .RSA §§ 212, 417, 6104, and 6718(2). Under the federal *Liability Risk Retention Act of 1986*, 15 U.S.C. §§ 3901 *et seq.*, and the *Maine Liability Risk Retention Act*, 24-A M.R.S. Ch. 72, a liability risk retention group (RRG) is primarily regulated by its state of domicile and may operate elsewhere subject to minimal regulation. The recent formation of Maine's first domestic RRG has created a need to establish financial and corporate governance standards for domestic RRGs in order to keep the Bureau of Insurance in compliance with National Association of Insurance Commissioners (NAIC) accreditation standards. Because RRGs are often licensed as captive insurers, 24-A M.R.S. §6718 was amended by P.L. 2013, ch. 238 (L.D. 1519), to give the Superintendent the authority to designate provisions of the Insurance Code as applicable to captive RRGs, notwithstanding the general exemption granted to other captive insurers.

The Rule has three substantive sections. Section 3 clarifies that with the exception of registered foreign RRGs that are exempt from licensure, RRGs doing business in Maine must be licensed with casualty authority, either as commercial insurers or as association or industrial insured captives.

Section 4 establishes corporate governance and operational standards for all domestic RRGs, however licensed, based on NAIC standards regarding boards of directors, service provider contracts, plans of operation, governance, and business conduct and ethics.

Section 5 applies to domestic captive RRGs, making them subject to various provisions of the Insurance Code that establish uniform national financial standards, modified as appropriate to the nature of an RRG's business in accordance with 24-A M.R.S. §6718(2), including provisions governing accounting practice and procedures, holding company systems, investment diversification, and reinsurance:

Fiscal impact of rule: No fiscal impact is anticipated.

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24 M.R.S. §2317; 24-A M.R.S. §§ 212, 231(5), 417, 797, 3423, 3424, 4351-4407, 6104, 6714, 6718, 7111; 39-A M.R.S. §403
Chapter number/title: **Ch. 710**, Standards for Determining Whether an Insurance Carrier is in Hazardous Financial Condition
Filing number: **2014-166**
Effective date: 8/17/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

To update the 1993 rule to reflect statutory changes as well as the development of the National Association of Insurance Commissioners' accreditation process.

Basis statement:

Ch. 710 was originally adopted in 1993 and has not been amended since that time. The current amendments update the rule to reflect amendments to Maine law since that time as well as the development of National Association of Insurance Commissioners (NAIC) accreditation standards.

Fiscal impact of rule:

No fiscal impact is anticipated.

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A M.R.S. §212
Chapter number/title: **Ch. 271**, Reinstitution of Medicare Supplement Insurance Coverage (*repeal*)
Filing number: **2014-211**
Effective date: 9/7/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The current rule addressed transitional matters associated with the federal *Medicare Catastrophic Coverage Act of 1988*. Repeal of the rule is proposed because in the judgment of Bureau of Insurance staff, it no longer has any relevance to any person or matter and is unnecessary.

Basis statement:

Maine Insurance Rule Ch. 271 was enacted in 1990 to address transitional considerations relating to the federal *Medicare Catastrophic Coverage Act of 1988* following repeal of that Act by Congress. The rule required Medicare supplement insurers to offer certain prior policyholders the opportunity to reinstate previously terminated coverage during 1991. The rule provides no ongoing duties on insurers and provides no ongoing rights to members of the public.

Believing the rule not to have any ongoing relevance, usefulness or necessity, the Maine Bureau of Insurance proposed its repeal without hearing. Rule-making without hearing is authorized pursuant to 5 M.R.S. §§ 8052 and 8053. Notice of the proposed repeal was issued to interested persons on July 8, 2014. Notice of the proposed repeal appeared in the Secretary of State's consolidated rule-making ad in Maine newspapers on July 16, 2014.

Fiscal impact of rule:

None.

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24 M.R.S. §2370 and 24-A M.R.S. §§ 212, 2707-A, 2847-C, 4212(2), 4222-A, 5016, and 2013 Resolve Ch. 39
Chapter number/title: **Ch. 580**, Third Party Notice of Cancellation
Filing number: **2014-262**
Effective date: 10/27/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The purpose of the proposed amendments is to implement 2013 Resolve Ch. 39 to adjust existing notice requirements for group long term care insurance policies in situations where the insured pays the premium through payroll deduction.

Basis statement:

Pursuant to the May 15, 2014, Notice of Rulemaking, Superintendent of Insurance Eric Cioppa held a public hearing on June 18, 2014, at the Department of Professional and Financial Regulation building, 76 Northern Avenue, Gardiner, Maine. The public comment period was held open until June 30, 2014 at 4:30 p.m. The purposes of the amendments are to implement 2013 Resolve Ch. 39 to adjust existing notice requirements for group long-term care insurance policies in situations where the insured pays the premium through payroll deduction.

Fiscal impact of rule:

None.

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24 MRS §2317-B; 24-A MRS §§ 212, 2413(1)(F), 4207(9), 5002-A, 5002-B, 5005, 5010-A, 5011
Chapter number/title: **Ch. 275**, Medicare Supplement Insurance
Filing number: **2014-272**
Effective date: 11/24/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

To reflect changes in state law since the last amendments to the rule and to address outstanding ambiguities and regulatory questions.

Basis statement:

Ch. 275 has been amended pursuant to the Notice of Rule-making issued May 15, 2014. A public hearing was convened on June 18, 2014, and the public comment period was held open until June 30, 2014. Rule 275 was originally adopted in 1992 to standardize benefits of Medicare supplement policies pursuant to federal law and to establish standards for policy terms, disclosure, and rating. The rule was amended in 1993, 1996, 1999, 2000, 2003, 2005, and 2009.

The purposes of the 2014 amendments are summarized below:

- Implement Resolve 2013 Ch. 19, which directs the Bureau of Insurance to amend its rules to clarify that Medicare Advantage enrollees who change Medicare Advantage plans during their three year trial period do not lose their Medicare supplement guaranteed issue rights as a result of the change. The amendments also clarify that similar rights may apply to certain other programs;
- Clarify the requirement for an extension of benefits during a period of total disability;
- Requires a notice of rate increase for an older plan to include notice of the right to exchange that plan for a current standardized plan;
- Clarify the limitation on preexisting condition exclusions for persons who enroll in a Medicare supplement plan during an open enrollment period;
- Clarify Medicare supplement guaranteed issue rights for dual eligible beneficiaries who lose eligibility for medical benefits under Medicaid;
- Require certain notices of guaranteed issue rights to include an explanation of the Medicare Advantage three year trial period;
- Require carriers to monitor and assess the accuracy of information provided to consumers by outside entities or associations, with particular attention to guaranteed issue rights and other state-specific issues that cannot be addressed accurately by nationally uniform materials;
- Add a reporting requirement for enrollees who have Medicare supplement and Medicare Advantage plans with the same carrier;
- Clarify that if Medicare supplement Plan A coverage is issued on a guaranteed issue basis pursuant to 24-A MRSA §5012, the issuer shall not apply a preexisting condition exclusion; and
- Provide for miscellaneous corrections and clarifications.

Fiscal impact of rule:

None.

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A MRS §§ 212, 3061
Chapter number/title: **Ch. 960** (*New*), Hurricane Deductibles
Filing number: **2014-276**
Effective date: 4/1/2015
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The purpose of this rule is to establish standards for insurers to follow concerning hurricane deductibles and the information concerning those deductibles that insurers must give their policyholders.

Basis statement:

Maine law, 24-A M.R.S. §3061, requires that the Superintendent adopt routine technical rules concerning procedures and standards for insurers who use hurricane deductibles in policies covering owner-occupied residential properties having four or fewer apartments. This rule provides in part that insurers may apply hurricane deductibles only while a hurricane warning issued by the National Weather Service (NWS) is in effect for a NWS forecast zone that includes any part of the municipality in which the insured property is located and for 24 hours after the NWS has terminated the last hurricane warning for that zone. The rule also requires that insurers notify policyholders if hurricane deductibles apply to their policies.

Fiscal impact of rule:

None.

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Agency name: Department of Professional and Financial Regulation, **Bureau of Insurance**
Umbrella-Unit: **02-031**
Statutory authority: 24-A MRS §§ 212, 953, 2532-A
Chapter number/title: **Ch. 340**, Mortality Tables for Use in Determining Minimum Reserves and Nonforfeiture Benefits
Filing number: **2014-292**
Effective date: 12/27/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Update current rule to reflect changes in national models on which the rule is based.

Basis statement:

The Superintendent of Insurance proposed rule-making without hearing as contemplated by 5 M.R.S. §8053 to consider proposed amendments to Maine Insurance Rule Ch. 340, *Mortality Tables for Use in Determining Minimum Reserves and Nonforfeiture Benefits*. Notice of Rule-making was provided to interested persons on October 7, 2014 and published in newspapers of general circulation in the consolidated State rule-making notice on October 15, 2014. The public comment period remained open until November 24, 2014.

The purpose of these proposed amendments is to provide for recognition of the 2012 Individual Annuity Reserving Table as well as to clarify, consistent with a Model Regulation of the National Association of Insurance Commissioners Model Regulation, when life insurers may utilize the 2001 CSO Preferred Class Structure Mortality Table for purposes of the valuation of reserves for policies issued on or after March 27, 2004 and prior to January 1, 2007. The current rule already addresses use of this mortality table by insurers with respect to policies issued on or after January 1, 2007.

Fiscal impact of rule:

None.

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Rules Adopted January 1, 2014 to December 31, 2014
Prepared by the Secretary of State, pursuant to 5 MRSA, §8053-A, sub-§5

Agency name: Department of Professional and Financial Regulation, **Office of Securities**
Umbrella-Unit: **02-032**
Statutory authority: 32 MRSA 16410(1), 16605
Chapter number/title: **Ch. 541**, Initial and Annual Renewal Fees
Filing number: **2014-222**
Effective date: 9/17/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Rule Ch. 541 sets out initial application and notice fees and annual renewal fees for broker-dealers, broker-dealer agents, investment advisers and investment adviser representatives, and broker-dealer or investment adviser branch offices located in Maine. The rule change seeks to lower the renewal fees for broker-dealer agents and investment adviser representatives from \$30 to \$25 annually.

Basis statement:

Rule Ch. 541 sets out initial application and notice fees and annual renewal fees for broker-dealers, broker-dealer agents, investment advisers and investment adviser representatives, and broker-dealer or investment adviser branch offices located in Maine. The rule change seeks to lower the renewal fees for broker-dealer agents and investment adviser representatives from \$30 to \$25 annually.

Believing the rule amendment to be a benefit to our licensees, the Administrator proposed the amendment without hearing. Rulemaking without hearing is authorized pursuant to 5 M.R.S. §§ 8052 and 8053. Notice of the proposed amendment was issued to interested persons on July 31, 2014. Notice of the proposed amendment appeared in the Secretary of State's consolidated rulemaking ad in Maine newspapers on August 6, 2014.

No comments were received on the proposed amendment of this rule. Accordingly, the proposed amendment is adopted as proposed. The amendment is effective September 17, 2014.

Fiscal impact of rule:

The cost to the state will be a reduction in Other Special Revenue to the Office of Securities of approximately \$479,735. Investment adviser representatives and broker-dealer agents will benefit from the \$5 reduction in annual fees.

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Agency name: Department of Professional and Financial Regulation, **Office of Securities**
Umbrella-Unit: **02-032**
Statutory authority: 32 MRS §§ 16304(6-A), 16605
Chapter number/title: **Ch. 523**, Rule Regarding Short-Form Seed Capital Registrations
(New)
Filing number: **2014-287**
Effective date: 1/1/2015
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The purpose of the rule is to facilitate public investment in small businesses. The rule will accomplish this purpose by (a) permitting the use of a simplified registration statement form for smaller offerings up to \$1 million and (b) promoting uniformity with other jurisdictions that require the registration of securities.

Basis statement:

Pursuant to a July 17, 2014 "Notice of Rule-making" (published on July 23, 2014), Securities Administrator Judith Shaw of the Maine Office of Securities held a hearing at the Department of Professional and Financial Regulation building, 76 Northern Avenue, Gardiner, Maine, on August 11, 2014 to receive comments concerning a proposed rule regarding Short-Form Seed Capital Registrations. Two comments were received during the hearing, and two comment letters were received before the August 21, 2014 comment deadline. The comments and the Administrator's responses are discussed below.

The purpose of the proposed rule is to implement 2014 P.L. Ch. 452, by establishing a process by which small businesses can have greater access to capital through the use of a simplified registration statement form for smaller offerings.

Fiscal impact of rule:

Those small businesses wishing to make offerings under this new rule will be required to pay a \$300 registration fee per type or class of securities offered with their filing. This will result in a minor revenue increase to the Office's General Fund. The staff time associated with reviewing these filings will result in a minor cost increase to the Office's Other Special Revenue Funds. Any additional revenue collected and the costs incurred by the Office of Securities in the Department of Professional and Financial Regulation are expected to be minor and the costs can be absorbed within existing budgeted resources.

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Agency name: Department of Professional and Financial Regulation, **Office of Professional and Occupational Regulation (OPOR)**
Umbrella-Unit: **02-041**
Statutory authority: 10 MRSA §8003(2-A)(D); 10 MRSA §9021(2-A); P.L. 2013 ch. 313 §2
Chapter number/title: **Ch. 10**, Establishment of License Fees:
Filing number: **2014-049**
Effective date: 3/23/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Financial projections for the Manufactured Housing Board indicate that reductions in certain types of license fees are feasible. Additionally, pursuant to Public Law 2013 ch. 313 §2 this proposal eliminates the commercial co-venturer license category and associated license fee.

Basis statement:

This chapter was amended to decrease license fees for certain license categories of the Manufactured Housing Board. Specifically, license fees for dealers, manufacturers, installers, develop dealers, and mechanics are reduced from \$200 annually to \$100 annually, and fees for installation, warranty, and state-certification seals purchased by dealers are decreased from \$200 to \$160. These fee decreases were deemed appropriate in response to the strengthening of the manufactured housing market after a significant economic downturn that began in 2008.

In addition, the OPOR fee rule eliminates references to and licensee fees for "commercial co-venturers" in the *Charitable Solicitation Act* licensing program pursuant to PL 2013 c. 313 §2.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Electricians' Examining Board**
Umbrella-Unit: **02-318**
Statutory authority: 32 MRSA §§ 1153, 1153-A
Chapter number/title: **Ch. 120**, Electrical Installation Standards
Filing number: **2014-193**
Effective date: 8/20/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The amendments to Ch. 120 conform to the *National Electrical Code for Maine* for the adoption of the 2014 edition of the *National Electrical Code* ("NEC"). The 2014 NEC replaces the 2011 NEC, on which Ch. 120 was based.

Basis statement:

This chapter establishes the effective dates of the current edition of the *National Electrical Code* to which all installations must conform.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Electricians’ Examining Board**
Umbrella-Unit: **02-318**
Statutory authority: 32 MRSA §§ 1102-B(2),(4), 1153, 1153-A
Chapter number/title: **Ch. 125**, Scope of Practice
Filing number: **2014-194**
Effective date: 8/20/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

The amendment to Ch. 125 deletes Section 8 “Electrical Company” as a type of license issued by the Board. Specifically, the 125th Maine State Legislature repealed the requirement that electrical companies be licensed, Public Law 2011, ch. 406. The deletion of paragraph 8 in the Board’s rules will conform to the deletion of 32 MRSA §1101(1-A).

Basis statement:

This chapter sets forth the scope of practice for the various licenses issued by the Board.

Fiscal impact of rule:

None

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Rules Adopted January 1, 2014 to December 31, 2014
Prepared by the Secretary of State, pursuant to 5 MRSA, §8053-A, sub-§5

Agency name: Department of Professional and Financial Regulation, **State Board of Licensure for Professional Engineers**

Umbrella-Unit: **02-322**

Statutory authority: 32 MRSA §1306(2)

Chapter number/title: Rules of the State Board of Licensure for Professional Engineers: **Ch. 1**, General Provisions / Operation of the Board; **Ch. 2**, Licensure; **Ch. 3**, Professional Development Hours; **Ch. 4**, Code of Ethics; **Ch. 5**, Application and Licensure Fees; **Ch. 6**, Advisory Rulings

Filing number: **2014-214 thru 219**

Effective date: 9/9/2014

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

The State Board of Licensure for Professional Engineers is repealing Ch. 1-3 and replacing them with new Ch. 1-6. Revisions enacted in 2013 to 32 MRSA §1251 *et seq.* regarding national licensing examinations prompted rule revisions. Additional changes include clarifications of the use of the seal, corrections, the elimination of redundancies, and division into small topic-specific chapters.

Basis statement:

The State Board of Licensure for Professional Engineers repeals Ch. 1-3 and replaces them with new Ch. 1-6. These changes were required by revisions to the statute governing the qualification and licensure of professional engineers, 32 MRSA §1251 *et seq.*, which took effect on October 9, 2013.

The revisions were made necessary because the nationally administered Fundamentals of Engineering examination transitioned to an entirely computer-based testing model beginning in January, 2014. It is anticipated that the discipline-specific Principles and Practice of Engineering examinations will also transition to computer-based testing over the next several years.

Additional changes include revisions to the rule regarding the use of the professional engineer seal by Licensees. These changes are intended to simplify and clarify guidelines for when the seal is necessary and when it is not necessary.

The rule was also sub-divided into smaller topic-specific chapters, and the topics were reordered to make them more accessible. The purpose of creating smaller chapters was to make them more internally consistent, to make subjects easier to locate and to understand, and to make the rule simpler to revise in the future.

To make the rule more consistent with state guidelines, definitions were grouped together at the beginning of Ch. 1, language that unnecessarily repeated statutory language was eliminated, and typographical and grammatical errors were corrected.

Fiscal impact of rule:

There is no anticipated fiscal impact.

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Agency name: Department of Professional and Financial Regulation, **Board of Licensure for Professional Land Surveyors**
Umbrella-Unit: **02-360**
Statutory authority: 32 MRSA §8229; 10 MRSA §8003(2-A)(D)
Chapter number/title: **Ch. 80**, Fees
Filing number: **2014-040**
Effective date: 3/19/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Anticipated enactment of LD 1267 (126th Maine Legislature, 1st Regular Session).

Basis statement:

The purpose of this rule-making proceeding was to repeal Ch. 80, *Fees*. The Board's authority to set fees, formerly found in 32 MRSA §13910, was superseded in 2000 by enactment of 10 MRSA §8003(2-A)(D), which granted exclusive fee-setting authority to the Director of Occupational and Professional Regulation. The fees set forth in Ch. 80 of the board's rules remained in effect until January 15, 2003, at which time the director exercised her authority to set fees for licensees of the board.

Ch. 80 of the Board's rules has had no legal effect since January 15, 2003. For this reason it is repealed.

Fiscal impact of rule:

None

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Agency name: Department of Professional and Financial Regulation, **Board of Licensure for Professional Land Surveyors**
Umbrella-Unit: **02-360**
Statutory authority: 32 MRSA §18225
Chapter number/title: **Ch. 70**, Continuing Education
Filing number: **2014-104**
Effective date: 6/2/2014
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Under current law, 32 MRSA §13908 sets forth the number of continuing education hours that must be earned by professional land surveyors during each licensing period and delineates acceptable continuing education activities. The enactment of 32 MRSA §18225 (effective January 1, 2014) authorizes the Board of Licensure of Professional Land Surveyors to approve, by rule, all aspects of continuing education required for the renewal of a professional land surveyor license.

Basis statement:

The purpose of this rule-making proceeding was to repeal and replace the continuing education requirements for renewal of a professional land surveyor license. Continuing education requirements for renewal of a professional land surveyor license were previously established in statute (32 MRSA, c. 121, §13908 [4]). Ch. 70 (*Professional Development*) implemented the continuing education requirements for renewal of licensure as a professional land surveyor as set forth in 32 MRSA §13908 (4). During the 1st regular session of the 126th Legislature, c. 121 was repealed and 32 MRSA c. 141 was enacted with a January 1, 2014 effective date. 32 MRSA, c. 141, §18225 authorizes the Board to adopt continuing education requirements by rule.

Adoption of mandatory continuing education requirements for renewal, by rule, permits the Board to set minimum standards consistent with the authority vested in other licensing programs within the Office of Professional and Occupational Regulation (OPOR) that require mandatory continuing education. Consistent with its charge to adopt minimum standards for mandatory continuing education (10 M.R.S.A. §8008), the Board first considered the continuing education standards established by §13908 (4) that have been in place for several years. Under §13908(4), an applicant for license renewal was required to complete 12 hours of continuing education within the license term (biennial term). A minimum of six (6) hours was required to be earned in courses in surveying practice or other topic areas identified in §13908(4). Licensees were permitted to earn continuing education hours for survey practice, membership in a professional association or participation in other activities and for published articles, columns or other significant work (§13908(4)(A)(B) & (C)).

A review of the licensee database in January 2014 indicates that 84% of currently licensed professional land surveyors were originally licensed prior to 2005; for each 3 years of full-time surveying practice the pre-2005 surveyor was eligible to earn 1 hour for a total of 6 hours of continuing education credit. Of the remaining 16% a majority of licensees were originally licensed prior to 2007 and are eligible to earn up to 5 hours for full-time practice and an additional 1 hour if a licensee is a member of a surveying or other specified association. The licensee profile of currently licensed professional land surveyors indicates that a majority of licensees (84%+) are required to complete 6 clock hours of course work and receive credit for survey practice and other activities thereby reducing the number of actual instructional hours to 6 within the two-year license term.

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Consistent with those findings, the Board proposed to repeal and replace Ch. 70 and require 6 clock hours of continuing education earned for each hour of actual instructional time in courses in surveying and other topics. In addition to proposing 6 clock hours of continuing education, the proposed rule maintains several of the continuing education standards previously set by §13908 and former Ch. 70 (*Professional Development*), specifically, professional land surveyor 65 years of age or older who practices less than 160 hours a year is exempted from the continuing education for renewal; a licensee whose initial license is issued during the first year of the 2-year license term is required to complete 50% of the total hours required and a licensee whose initial license is issued during the second year of the 2-year term is exempted from the continuing education requirement for the first renewal; and, the course topics in surveying practice and related courses are the same. Additionally, Ch. 70 (*Continuing Education*) references the certification of completion of continuing education by audit pursuant to Chapter 13 of the rules of OPOR. Confirmation of compliance with the continuing education standard by audit was first applied to the renewal cycle in December 2003 and has been applied to each subsequent term.

Finally, Ch. 70 (*Continuing Education*) sets out the various formats available to a licensee to earn continuing education credits, including live and distance education seminars, courses, workshops, instructional programs, and courses and instructional material presented in a print format. The options continue the standard previously set by §13908(4) and clarify that a distance education format (CD, DVD, thumb drive or other electronic or audiovisual media) are permitted.

Fiscal impact of rule:

None

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Rules Adopted January 1, 2014 to December 31, 2014
Prepared by the Secretary of State, pursuant to 5 MRSA, §8053-A, sub-§5

Agency name: Department of Professional and Financial Regulation, **Maine Fuel Board**

Umbrella-Unit: **02-658**

Statutory authority: 32 MRSA §18123(2); 5 MRSA §§ 8051, 9001(4)

Chapter number/title: **Ch. 1**, Definitions; **Ch. 2**, Advisory Rulings; **Ch. 3**, Categories and Responsibilities of Licensure, **Ch. 4**, Qualification for Licensure, **Ch. 5**, Use of Other License Authorities, **Ch. 6**, Adoption of Standards and Rules, **Ch. 7**, Modification of Standards, **Ch. 8**, Installation of Oil Burning Equipment, **Ch. 9**, Installation of Solid Fuel Burning Equipment, **Ch. 10**, Chimneys, **Ch. 11**, Installation of Waste Oil Appliances and Waste Oil Supply Tanks, **Ch. 12**, Permits for Aboveground and Underground Propane and Natural Gas Storage Facilities and Rooftop Installations, **Ch. 13**, Installation of Propane and Natural Gas Burning Equipment

Filing number: **2014-234 thru 246**

Effective date: 9/27/2014

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

To repeal and replace the combined rules of the Oil and Solid Fuel, and Propane and Natural Gas Boards.

Basis statement:

On February 28, 2014 the Maine Fuel Board adopted rules Ch. 1 through 13 that repeal and replace rules of the former Oil and Solid Fuel and Propane and Natural Gas Boards.

Ch. 13 sets forth requirements for installing propane and natural gas burning equipment. Section 13.7 sets forth requirements for converting burners to propane and natural gas from another fuel source.

After the adoption of Ch. 1 through 13, it was determined that the addition of Section 13.7.1(3) represented a substantial change from the original proposed rule, and that other parts of Section 13.7 had been revised in various ways from the original proposed rule, although not as significantly as the addition of Section 13.7.1.(3). Subsequently, Section 13.7 was reopened in its entirety for public comment.

Fiscal impact of rule:

Low