

MAINE STATE LEGISLATURE

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M
R.O.S.

L.D. 1865

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DATE: 3-24-04

(Filing No. H-797)

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INSURANCE AND FINANCIAL SERVICES

10 Reproduced and distributed under the direction of the Clerk of
12 the House.

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
SECOND SPECIAL SESSION**

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COMMITTEE AMENDMENT "A" to H.P. 1388, L.D. 1865, "Resolve,
Regarding Legislative Review of Portions of Chapter 755: Health
Insurance Classifications, Disclosure and Minimum Standards, a
Major Substantive Rule of the Department of Professional and
Financial Regulation, Bureau of Insurance"

26 Amend the resolve by striking out the title and substituting
the following:

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'Resolve, Regarding Legislative Review of Chapter 755: Health
Insurance Classifications, Disclosure and Minimum Standards, a
Major Substantive Rule of the Department of Professional and
Financial Regulation, Bureau of Insurance'

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Further amend the resolve by striking out everything after
the emergency preamble and before the emergency clause and
inserting in its place the following:

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'Sec. 1. Adoption. Resolved: That final adoption of Chapter
755: Health Insurance Classifications, Disclosure and Minimum
Standards, a provisionally adopted major substantive rule of the
Department of Professional and Financial Regulation, Bureau of
Insurance that has been submitted to the Legislature for review
pursuant to the Maine Revised Statutes, Title 5, chapter 375,
subchapter 2-A is authorized only if the following changes are
made.

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1. In Section 4(K) with regard to the definition of
preexisting condition, the look-back period for a preexisting
condition is changed from 12 months to 24 months.

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 1388, L.D. 1865

2 2. With regard to prohibited policy provisions, language is
4 added to clarify that the section is not intended to restrict the
6 use of elimination periods for disability income benefits.

8 3. With regard to minimum standards for health insurance
10 benefits generally, language is added to permit an insurer to
12 void or contest a policy or deny claims for a sickness first
14 manifested before the effective date of the policy that was
16 fraudulently not disclosed or fraudulently misrepresented in an
18 application for coverage.

20 4. With regard to minimum standards for health insurance
22 benefits generally, the maximum time period between the date of
24 an accident and the date of loss is shortened from 180 days to 90
26 days for accidental death and dismemberment benefits and from 90
28 days to 30 days for disability coverage.

30 5. With regard to minimum standards for individual
32 disability income protection coverage, the maximum elimination
34 period is changed from 365 days to 730 days in cases of coverage
36 having a benefit period of more than 2 years, and the shortest
38 permissible maximum benefit period is changed from 6 months to 3
40 months.

42 6. With regard to specified disease coverage, language is
44 added to provide an exception for lump-sum benefits based on
46 diagnosis of a specified disease.

48 7. With regard to specified disease coverage, language is
50 added to permit the Superintendent of Insurance to approve
52 different minimum benefits for cancer coverage on an
54 expense-incurred basis or a per diem indemnity basis if the
56 superintendent determines that the minimum benefits are in the
58 interest of the consumer.

60 The amendment also changes the title of the resolve and
62 clarifies the language to reflect that all of Chapter 755
64 required legislative review.

FISCAL NOTE REQUIRED
(See attached)

**121st Maine Legislature
Office of Fiscal and Program Review**



LD 1865

**Resolve, Regarding Legislative Review of Portions of Chapter 755:
Health Insurance Classifications, Disclosure and Minimum Standards, a
Major Substantive Rule of the Department of Professional and Financial
Regulation, Bureau of Insurance**

LR 2789(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Additional cost to the Department of Professional and Financial Regulation can be absorbed utilizing existing resources.