

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1321

H. P. 971

House of Representatives, February 19, 1965

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

JEROME G. PLANTE, Clerk

Presented by Mr. Scott of Wilton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

AN ACT Relating to Group Accident and Sickness Insurance.

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

R. S., T. 24, § 806, sub-§ 2, ¶ E, additional. Subsection 2 of section 806 of Title 24 of the Revised Statutes is amended by adding a new paragraph E to read as follows:

‘E. A policy issued to trustees of a fund established by the employed members of a trade association, which trustees shall be deemed the policy holder, to insure employees of such employers for the benefit of persons other than the association or the employers, subject to the following requirements:

(1) The policy may be issued only if:

(a) The association has been in existence for at least 5 years and was formed for purposes other than obtaining insurance, and

(b) The participating employers, meaning such employer members whose employees are to be insured, constitute at date of issue at least 50% of the total employers eligible to participate, unless the total number of persons covered at date of issue exceeds 600, in which event such participating employers must constitute at least 25% of such total employers, in either case omitting from consideration any employer whose employees are already covered for group life insurance.

(2) The persons eligible for insurance under the policy shall be all of the employees of the participating employers, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term “employees” shall include the individual proprietor or

partners whenever a participating employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include retired employees. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship.

(3) The premium for the policy shall be paid by the trustees either wholly from funds contributed by the employer or funds contributed jointly by the employers and the employees. A policy on which part of the premium so payable is to be derived from funds contributed by the insured employees may be placed in force only if at least 75% of the then eligible employees of each participating employer, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions, a policy on which no part of the premium so payable is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(4) The policy must cover at least 100 employees at date of issue.

(5) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the policyholder or the employer.'