

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-312)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 487, L.D. 636, Bill,
"AN ACT to Require Insurance Policy Language Simplification."

Amend the Bill by inserting after the enacting clause the following:

'Sec. 1. 24 MRSA §2316, as amended by PL 1973, c. 585, §12, is further amended by inserting before the last sentence the following new sentence:

No policy forms may be delivered or issued for delivery in this State unless the forms meet the requirements of Title 24-A, sections 2438 to 2445.'

Further amend the Bill by inserting at the beginning of the first line after the enacting clause the underlined abbreviation and figure 'Sec. 2.'

Further amend the Bill in that part designated "§2439." by striking out all of subsection 2 and inserting in its place the following:

'2. Policy or policy form. "Policy" or "policy form" means any policy, contract, plan or agreement of life or health insurance or casualty or property insurance subject to chapter 39, subchapter II, or chapter 41, subchapter V, including credit life insurance and credit health insurance.'

Further amend the Bill in that part designated "§2440." in subsection 1, paragraph B in the 2nd line (same in L.D.) by inserting after the underlined word "credit" the underlined words 'life or health'

Further amend the Bill in that part designated "§2441." in subsection 1, paragraph A in the first line (same in L.D.) by striking out the underlined figure "40" and inserting in its place the underlined figure '50'

Further amend the Bill in that part designated "§2441." in subsection 4 by inserting after the first paragraph a new paragraph to read:

'Notwithstanding any other provision of this Act, rating organizations may act on behalf of their members and subscribers in complying with the requirements of this subsection. A member or subscriber shall be responsible for the actions of a rating organization on behalf of that member or subscriber under this subsection in the same manner as if the member or subscriber had acted on its own behalf.'

Further amend the Bill in that part designated "§2445." by striking out all of subsection 1 and inserting in its place the following:

'1. Policy form delivered. No policy form shall be delivered or issued for delivery in this State on or after June 1, 1984, unless approved by the superintendent or permitted to be issued under this Act. Any policy form which has been approved or permitted to be issued prior to June 1, 1984 and which meets the standards set by this Act need not be refiled for approval, but may continue to be lawfully delivered or issued for delivery in this State upon the filing with the superintendent of a list

of forms identified by form number and accompanied by a certificate as to each form in the manner provided in section 2441, subsection 4.'

Statement of Fact

The purpose of this amendment is to ensure that the bill applies to nonprofit hospital and medical service organizations, to exclude commercial lines of casualty and property insurance from the bill's application, to raise the reading ease score that must be achieved from 40 to 50, to permit rating organizations to file the policy forms and certificates required and to give insurers more time in which to draft new policy forms and exhaust supplies of current forms.

Reported by the Committee on Business Legislation
Reproduced and distributed under the direction of the
Clerk of the House.

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