

MAINE STATE LEGISLATURE

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D. DE R.

L.D. 947

STATE OF MAINE
SENATE (Filing No. S-196)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 317, L.D. 947, Bill,
"AN ACT to Continue Medical Benefits to Employees During
Collective Bargaining Negotiations, Lockouts, Strikes and Other
Job Actions."

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'24-A MRSA c. 36 is enacted to read:

CHAPTER 36

CONTINUATION OF INSURANCE

DURING A LABOR DISPUTE

§2841. Continuation of group life insurance and group and
blanket health insurance during a labor dispute

1. Continuation of insurance during labor dispute. No
group life insurance policy under chapter 31 or group and blanket
health insurance policy under chapter 35 shall be delivered or
issued for delivery in this State when the premiums or any
part thereof is paid or is to be paid in whole or in part by
an employer pursuant to the terms of a collective bargaining
agreement, unless the policy provides that, in the event of a
cessation of work by the employees covered by the policy as the
result of a labor dispute, the policy upon timely payment of the
premium shall continue in effect with respect to all employees
insured by the policy on the date of the cessation of work who
continue to pay their individual contribution and who assume and

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pay the contribution due from the employer for the period of cessation of work, under the following conditions:

A. If the policyholder is not a trustee or the trustees of a fund established or maintained in whole or in part by the employer, the policy shall provide that the employee's individual contribution shall be the rate in the policy, on the date cessation of work occurs, applicable to an individual in the class to which the employee belongs as set forth in the policy. If the policy does not provide for a rate applicable to individuals, the policy shall provide that the employee's individual contribution shall be an amount equal to the amount determined by dividing the total monthly premium in effect under the policy at the date of cessation of work by the total number of persons insured under the policy at such date;

B. If the policyholder is a trustee or the trustees of a fund established or maintained in whole or in part by the employer, the employee's contribution shall be the amount which he and his employer would have been required to contribute to the trust for the employee if the cessation of work had not occurred and the agreement requiring the employer to make contributions to the trust were in full force;

C. The policy may provide that the continuation of insurance is contingent upon the collection of individual contributions by the union or unions representing the employees for policies

a.

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referred to in paragraph A and by the policyholder or the policyholder's agent with respect to policies referred to in paragraph B;

D. The policy may provide that the continuation of insurance on each employee is contingent upon timely payment of contributions by the individual and timely payment of the premium by the entity responsible for collecting the individual contributions;

E. The policy may provide that each individual premium rate shall be increased by any amount up to 20%, or any higher percent which may be approved by the commissioner, of that otherwise shown in the policy during the period of cessation of work in order to provide sufficient compensation to the insurer to cover increased administrative costs and increased mortality and morbidity. If the policy does provide for such an increase, this shall have the effect of increasing the employee's contribution by a like percent;

F. Nothing in this chapter shall be deemed to limit any right which the insurer may have in accordance with the terms of the policy to increase or decrease the premium rates before, during or after such cessation of work if in fact the insurer would have had the right to increase the premium rate had the cessation of work not occurred. If such a premium rate change is made, it shall be effective, notwithstanding any other provisions of this chapter, on such date as the insurer shall determine in accordance with the terms of the policy;

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G. The policy may contain such other provisions with respect to the continuation of insurance as the Superintendent of Insurance may approve;

H. The policy may provide that, if a premium is unpaid at the date of cessation of work and the premium became due prior to the cessation of work, the continuation of insurance is contingent upon payment of the premium prior to the date that the next premium becomes due under the terms of the policy; and

I. Nothing in this chapter shall be deemed to require the continuation of any loss of time payments included in any such group accident and health insurance policy, nor of any other coverages beyond the time that 75% of the employees continue the coverage or as to any individual employee beyond the time that he takes full-time employment with another employer; nor shall anything in this chapter be deemed to require continuation of coverage/^{for}more than 6 months after the cessation of work.

Statement of Fact

This amendment strikes the language in L.D. 947 and adds to Title 24-A a new chapter 36 which provides that during a labor dispute which results in a stoppage of work the employees may assume the employer's cost of their group health insurance policies. This will insure that their health insurance need not lapse during a strike.

Reported by 2 members of the Committee on Labor in Report "C".
Reproduced and distributed pursuant to Senate Rule 11-A.
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