

MAINE STATE LEGISLATURE

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STATE OF MAINE (Filing No. S-60)
SENATE
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 154, L.D. 362, Bill,
"AN ACT to Amend the Group and Blanket Health Insurance
Law."

Amend the bill by inserting after section 3 the following
new section:

'Sec. 4. 24-A MRSA §2805-A is enacted to read:

§2805-A. Association groups

A group of individuals may be insured under a policy
issued to an association or to a trust or to the trustee
or trustees of a fund established, created or maintained for
the benefit of members of one or more associations. The
association or associations shall have at the outset a minimum
of 50 persons; shall have been organized and maintained in
good faith for purposes other than that of obtaining insur-
ance; shall have been in active existence for at least 2
years; and shall have a constitution and by-laws which
provides that: The association or associations hold regular
meetings not less than annually to further purposes
of the members; except for credit unions, the association or
associations collect dues or solicit contributions from
members; and the members have voting privileges and represen-
tation on the governing board and committees. The policy is
subject to the following requirements.

1. The policy may insure members of the association
or associations, employees thereof or employees of members
or one or more of the preceding or all of any class or classes
thereof for the benefit of persons other than the employees'

employer.

2. The premium for the policy shall be paid from funds contributed by the association or associations or by employer members, or by both, or from funds contributed by the covered persons or from both the covered persons and the association, associations or employer members.

3. Except as provided in subsection 4, a policy on which no part of the premium is to be derived from funds contributed by the covered persons specifically for their insurance must insure all eligible persons, except those who reject that coverage in writing.

4. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.'

Further amend the bill by striking out ←————→ section 6 and inserting in its place the following:

'Sec. 7. 24-A MRSA §2807-A is enacted to read:

§2807-A. Credit union groups

A group of individuals may be insured under a policy issued to a credit union or to a trustee or trustees or agent designated by 2 or more credit unions, which credit union, trustee, trustees or agent is considered the policyholder, to insure members of the credit union or credit unions for the benefit of persons other than the credit union or credit

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unions, trustee or trustees or agent or any of their officials, subject to the following requirements.

1. The members eligible for insurance are all of the members of the credit union or credit unions or all of any class or classes thereof.

2. The premium for the policy shall be paid either from funds of the credit union or from funds contributed by the insured members specifically for their insurance, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, except those who reject the coverage in writing.

3. An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 8. 24-A MRSA §2808, as amended by PL 1973, c. 585, §12, is repealed and the following enacted in its place:

§2808. Other groups

Group health insurance offered to a resident of this State under a group health insurance policy issued to a group other than one described in sections 2804 to 2807-A is subject to the following requirements.

1. No group health insurance policy may be delivered in this State unless the superintendent finds that:

A. The issuance of the group policy is not contrary to the best interest of the public;

B. The issuance of the group policy would be actuarially

sound;

C. The issuance of the group policy would result in economics of acquisition or administration; and

D. The benefits are reasonable in relation to the premiums charged.

2. No ~~←~~ → group health insurance coverage may be offered in this State by an insurer under a policy issued in another state, unless this State or another state having requirements substantially similar to those contained in subsection 1, paragraphs A, B, C and D has made a determination that these requirements have been met. Notwithstanding the fact that ~~←~~ a determination has been made, the superintendent may at any time schedule a hearing in accordance with the provisions of sections 229 to 236 to determine whether the requirements have been met. If, after hearing, the superintendent finds that a policy fails to meet one or more of the requirements set forth in subsection 1, he may order the insurer to cease and desist from further solicitation of participation under the policy until such time as the policy has been found by the superintendent to be in compliance with all the requirements.

3. The premium for the policy shall be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both.

4. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

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COMMITTEE AMENDMENT "A" to S.P. to 154, L.D. 362 Pg. 5

Sec. 9. 24-A/^{MRSA}§2809, sub-§1, as enacted by PL 1969,
c. 132, §1, is amended to read:

1. Any policy of group health insurance issued pursuant to sections 2804 (employee groups), 2805 ~~(union-and-employee association-groups)~~ (labor union groups), 2805-A (association groups), 2806 (trustee groups), 2807-A (credit union groups) or 2808 (other groups) may include coverage for memers of the family or dependents of individuals otherwise insured in such groups.'

Further amend the bill by renumbering sections 4 and 5, to read 5 and 6.

Statement of Fact

The purpose of this amendment is to make the provisions of the group health insurance law which relates to defined and other groups comparable to analogous provisions in the group life insurance law.

Reported by the Committee on Business Legislation.
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