

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 815

S. P. 289

In Senate, February 12, 1981

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

MAY M. ROSS, Secretary of the Senate

Presented by Senator Gill of Cumberland.

Cosponsors: Representative Gwadosky of Fairfield, Representative H. Martin of Van Buren and Representative Brenerman of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Require Health Insurance Policies to Expressly State Exclusions.

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

Sec. 1. 24 MRSA § 2316, 6th sentence, as repealed and replaced by PL 1979, c. 541, Pt. B, § 30, is amended to read:

No contracts may be delivered or issued for delivery in this State unless they meet the requirements of Title 24-A, sections 2438 to 2445, 2703 and 2829.

Sec. 2. 24-A MRSA § 2703, sub-§ 5, as enacted by PL 1969, c. 132, § 1, is repealed and the following enacted in its place:

5. Notwithstanding the provisions of subsection 4, the exceptions and exclusions of indemnity in any policy issued after June 1, 1984, shall be set forth in any policy or brochure advertising or explaining the policy in boldface type in the following manner:

“EXCLUSIONS AND EXCEPTIONS

THIS POLICY DOES NOT PROVIDE BENEFITS OR COVERAGE RELATED TO THE FOLLOWING TYPES OF TREATMENT:”

Following that language, the document shall set forth any exception or exclusion

in coverage. If an exception or exclusion specifically applies only to a particular benefit of the policy, a statement of that exception or exclusion shall also be included with the benefit provision to which it applies. This section does not apply to policies limited to providing benefits for only one disease.

Sec. 3. 24-A MRSA § 2829, sub-§ 1, as enacted by PL 1969, c. 132, § 1, is repealed and the following enacted in its place:

1. Any portion of that policy, delivered or issued for delivery in this State, which purports, by reason of the circumstances under which a loss is incurred, to reduce any benefits promised thereunder to an amount less than that provided for the same loss occurring under ordinary circumstances, shall be printed in that policy and in each certificate issued thereunder, in boldface type and with greater prominence than any other portion of the rest of that policy or certificate, respectively. All other exceptions or exclusions in any such policy issued after June 1, 1984, shall be set forth in boldface type in the following manner:

“EXCLUSIONS AND EXCEPTIONS

**THIS POLICY DOES NOT PROVIDE BENEFITS OR COVERAGE RELATED
TO THE FOLLOWING TYPES OF TREATMENT:”**

Following that language, the document shall set forth any exception or exclusion in coverage. If an exception or exclusion specifically applies only to a particular benefit of the policy, a statement of that exception or exclusion shall also be included with the benefit provision to which it applies.

STATEMENT OF FACT

The purpose of this bill is to provide consumers with clear notice of the exclusions of any health insurance policy. Consumers are often encouraged to purchase such policies without a full explanation of the areas of health treatment which are not covered by the policy. The bill provides for a transition period through June 1, 1984, the effective date of the insurance policies — language simplification law.