

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 728

S.P. 257

In Senate, March 12, 1987

Reference to the Committee on Labor suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate  
Presented by President PRAY of Penobscot.

Cosponsored by Senator DUTREMBLE of York, Representative  
WILLEY of Hampden, Representative RAND of Portland.

STATE OF MAINE

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

AN ACT to Extend Medical Benefits to  
Permanently Laid-off Employees.

1  
2  
3

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

6 Sec. 1. 24 MRSA §2330, sub-§11, as enacted by PL  
7 1985, c. 684, §1, is amended to read:

8 11. Continued group coverage; certain circum-  
9 stances. Notwithstanding this section, if the termi-  
10 nation of an individual's group insurance coverage is  
11 a result of the member or employee being temporarily  
12 laid off or losing his employment because of a  
13 work-related injury or occupational disease, the  
14 compensability of which under Title 39 is not contro-  
15 verted by his employer, the insurer shall allow the  
16 member or employee to elect, within the time period

1 prescribed by paragraph B, to continue coverage under  
2 the group policy at the member's or employee's ex-  
3 pense or, at the member's or employee's option, to  
4 convert to a policy of individual coverage without  
5 evidence of insurability in accordance with this sec-  
6 tion.

7 A. For the purposes of this subsection, the term  
8 "member or employee" includes only those persons  
9 who have been a member or employee for at least 6  
10 months.

11 B. If the member's or employee's coverage is  
12 terminated because of:

13 (1) A temporary layoff, the member or em-  
14 ployee shall have 31 days from the termina-  
15 tion of coverage in which to elect and make  
16 his initial payment under this subsection;  
17 or

18 (2) A noncontroverted work-related injury  
19 or occupational disease, the member or em-  
20 ployee shall have 60 days from the termina-  
21 tion of coverage in which to elect and make  
22 his initial payment under this subsection.

23 C. An insurer is not required to continue cover-  
24 age under a group policy if the member or employ-  
25 ee meets the conditions set out in subsection 3,  
26 paragraph A.

27 D. The payment amount for continued group cover-  
28 age under this subsection may not exceed the  
29 group rate in effect for a group member, includ-  
30 ing an employer's contribution, if any.

31 E. At the option of the member or employee, the  
32 continued group coverage may cover the member or  
33 employee, the member or employee and his dependen-  
34 ts or only the dependents of the member or em-  
35 ployee; provided that, in the latter 2 cases, the  
36 dependents have been covered for a period of at  
37 least 3 months under the group policy, unless the  
38 dependents were not eligible for coverage until  
39 after the beginning of the 3-month period.

AMENDED & REPEALED

1 F. Except as provided in paragraph G, coverage  
2 provided under this section shall continue and  
3 may not be terminated: until 18 months from the  
4 last day of work.

5 (1)--In--the--case--of--a--termination--which--is  
6 the--result--of--a--temporary--layoff,--until--6  
7 months--from--the--last--day--of--work;

8 (2)--In--the--case--of--a--termination--which--is  
9 the--result--of--a--member--or--employee--losing  
10 his--employment--because--of--a--noncontroverted  
11 work--related--injury--or--occupational--disease  
12 which--renders--him--partially--incapacitated,  
13 until--6--months--from--the--last--day--of--work;  
14 and

15 (3)--In--the--case--of--a--termination--which--is  
16 the--result--of--a--member--or--employee--losing  
17 his--employment--because--of--a--noncontroverted  
18 work--related--injury--or--occupational--disease  
19 which--renders--him--totally--incapacitated,--un-  
20 til--one--year--from--the--last--day--of--work.

21 G. Coverage provided under this section may be  
22 terminated sooner than provided under paragraph F  
23 if:

24 (1) The member or employee fails to make  
25 timely payment of a required premium amount;  
26 or

27 (2) The member or employee becomes eligible  
28 for coverage under another group policy.

29 H. At the expiration of any continued group cov-  
30 erage obtained under this subsection, the member  
31 or employee has the same conversion privileges as  
32 otherwise granted under this section.

33 I. This subsection shall not be construed to:

34 (1) Prevent members or employees from nego-  
35 tiating for or receiving greater continued  
36 coverage of group insurance than is provided  
37 in this subsection; or

1 (2) Require coverage beyond the time limits  
2 set in paragraph E.

3 Sec. 2. 24-A MRSA §2809-A, sub-§11, as enacted  
4 by PL 1985, c. 684, §2, is amended to read:

5 11. Continued group coverage; certain circum-  
6 stances. Notwithstanding this section, if the termi-  
7 nation of an individual's group insurance coverage is  
8 a result of the member or employee being temporarily  
9 laid off or losing his employment because of a  
10 work-related injury or occupational disease, the  
11 compensability of which under Title 39 is not contro-  
12 verted by his employer, the insurer shall allow the  
13 member or employee to elect, within the time period  
14 prescribed by paragraph B, to continue coverage under  
15 the group policy at the member's or employee's ex-  
16 pense or, at the member's or employee's option, to  
17 convert to a policy of individual coverage without  
18 evidence of insurability in accordance with this sec-  
19 tion.

20 A. For the purposes of this subsection, the term  
21 "member or employee" includes only those persons  
22 who have been a member or employee for at least 6  
23 months.

24 B. If the member's or employee's coverage is  
25 terminated because of:

26 (1) A temporary layoff, the member or em-  
27 ployee shall have 31 days from the termina-  
28 tion of coverage in which to elect and make  
29 his initial payment under this subsection;  
30 or

31 (2) A noncontroverted work-related injury  
32 or occupational disease, the member or em-  
33 ployee shall have 60 days from the termina-  
34 tion of coverage in which to elect and make  
35 his initial payment under this subsection.

36 C. An insurer is not required to continue cover-  
37 age under a group policy if the member or employ-  
38 ee meets the conditions set out in subsection 3,  
39 paragraph A.

1 D. The payment amount for continued group cover-  
2 age under this subsection may not exceed the  
3 group rate in effect for a group member, includ-  
4 ing an employer's contribution, if any.

5 E. At the option of the member or employee, the  
6 continued group coverage may cover the member or  
7 employee, the member or employee and his depen-  
8 dents or only the dependents of the member or em-  
9 ployee; provided that, in the latter 2 cases, the  
10 dependents have been covered for a period of at  
11 least 3 months under the group policy, unless the  
12 dependents were not eligible for coverage until  
13 after the beginning of the 3-month period.

14 F. Except as provided in paragraph G, coverage  
15 provided under this section shall continue and  
16 may not be terminated: until 18 months from the  
17 last day of work.

18 ~~(1) In the case of a termination which is~~  
19 ~~the result of a temporary layoff, until 6~~  
20 ~~months from the last day of work;~~

21 ~~(2) In the case of a termination which is~~  
22 ~~the result of a member or employee losing~~  
23 ~~his employment because of a noncontroverted~~  
24 ~~work-related injury or occupational disease~~  
25 ~~which renders him partially incapacitated,~~  
26 ~~until 6 months from the last day of work;~~  
27 ~~and~~

28 ~~(3) In the case of a termination which is~~  
29 ~~the result of a member or employee losing~~  
30 ~~his employment because of a noncontroverted~~  
31 ~~work-related injury or occupational disease~~  
32 ~~which renders him totally incapacitated, un-~~  
33 ~~til one year from the last day of work.~~

34 G. Coverage provided under this section may be  
35 terminated sooner than provided under paragraph F  
36 if:

37 (1) The member or employee fails to make  
38 timely payment of a required premium amount;  
39 or

1 (2) The member or employee becomes eligible  
2 for coverage under another group policy.

3 H. At the expiration of any continued group cov-  
4 erage obtained under this subsection, the member  
5 or employee has the same conversion privileges as  
6 otherwise granted under this section.

7 I. This subsection shall not be construed to:

8 (1) Prevent members or employees from nego-  
9 tiating for or receiving greater continued  
10 coverage of group insurance than is provided  
11 in this subsection; or

12 (2) Require coverage beyond the time limits  
13 set in paragraph E.

14 STATEMENT OF FACT

15 This bill extends the period for which an employ-  
16 ee and his dependents, at their cost, may continue to  
17 receive group medical benefits if he is laid off or  
18 injured at work. The bill brings Maine law closer to  
19 conformity with the federal law which requires an  
20 18-month period of continuation of benefits under the  
21 group plan rather than the 6-month or 12-month peri-  
22 od under present Maine law. In addition, federal law  
23 does not cover employers with less than 20 employees.

24 1722022787