

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 262

S.P. 142

In Senate, February 21, 1989

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot. (BY REQUEST)
Cosponsored by President PRAY of Penobscot and Senator DUTREMBLE of York.

STATE OF MAINE

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

An Act to Provide for Continued Group Health Insurance Coverage to
Certain Injured Employees.



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

3 **Sec. 1. 24 MRSA §2330, sub-§11, as amended by PL 1987, c. 25,**
5 **§§1 and 2, is further amended to read:**

7 **11. Continued group coverage; certain circumstances.**
9 Notwithstanding this section, if the termination of an
11 individual's group insurance coverage is a result of the member
13 or employee being temporarily laid off or losing his employment
15 because of a work-related injury or occupational disease, ~~the~~
17 ~~compensability of which under Title 39 is not controverted by his~~
 ~~employer,~~ the insurer shall allow the member or employee to
 elect, within the time period prescribed by paragraph B, to
 continue coverage under the group policy at the member's or
 employee's expense or, at the member's or employee's option, to
 convert to a policy of individual coverage without evidence of
 insurability in accordance with this section.

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

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

27 (1) A temporary layoff, the member or employee shall
29 have 31 days from the termination of coverage in which
 to elect and make his the initial payment under this
 subsection; or

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

37 C. An insurer is not required to continue coverage under a
39 group policy if the member or employee meets the conditions
 set out in subsection 3, paragraph A.

41 D. The payment amount for continued group coverage under
43 this subsection may not exceed 102% of the group rate in
45 effect for a group member, including an employer's
 contribution, if any.

47 E. At the option of the member or employee, the continued
49 group coverage may cover the member or employee, the member
51 or employee and his any dependents or only the dependents of
 the member or employee; provided that, in the latter 2
 cases, the dependents have been covered for a period of at
 least 3 months under the group policy, unless the dependents
 were

1 not eligible for coverage until after the beginning of the
3 3-month period.

5 F. Except as provided in paragraph G, coverage provided
under this section shall continue and may not be terminated:

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

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

19 (3) In the case of a termination which is the result
21 of a member or employee losing his employment because
23 of a ~~nonreverted~~ work-related injury or
occupational disease which renders him the member or
last day of work.

25 G. Coverage provided under this section may be terminated
27 sooner than provided under paragraph F if:

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

31 (2) The member or employee becomes eligible for
33 coverage under another group policy; or

35 (3) The Workers' Compensation Commission determines
37 that the injury or disease which entitled the employee
39 to continue coverage under this section is not a
work-related injury or occupational disease for
purposes of compensation under the workers'
compensation insurance laws.

41 H. At the expiration of any continued group coverage
43 obtained under this subsection, the member or employee has
45 the same conversion privileges as otherwise granted under
this section.

47 I. This subsection shall not be construed to:

49 (1) Prevent members or employees from negotiating for
51 or receiving greater continued coverage of group
insurance than is provided in this subsection; or

53 (2) Require coverage beyond the time limits set in
paragraph F.

1 J. This subsection does not apply to any group policy
3 subject to the United States Consolidated Omnibus Budget
5 Reconciliation Act, Public Law 99-272, Title X, Private
Health Insurance Coverage, Sections 10001 to 10003.

7 **Sec. 2. 24-A MRSA §2809-A, sub-§11**, as amended by PL 1987, c.
25, §§3 and 4, is further amended to read:

9 **11. Continued group coverage; certain circumstances.**
11 Notwithstanding this section, if the termination of an
13 individual's group insurance coverage is a result of the member
or employee being temporarily laid off or losing his employment
15 because of a work-related injury or occupational disease, ~~the~~
~~compensability of which under Title 39 is not controverted by his~~
17 ~~employer,~~ the insurer shall allow the member or employee to
elect, within the time period prescribed by paragraph B, to
19 continue coverage under the group policy at the member's or
employee's expense or, at the member's or employee's option, to
21 convert to a policy of individual coverage without evidence of
insurability in accordance with this section.

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

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

29 (1) A temporary layoff, the member or employee shall
31 have 31 days from the termination of coverage in which
to elect and make his the initial payment under this
33 subsection; or

35 (2) A ~~noncontroverted~~ work-related injury or
37 occupational disease, the member or employee shall have
60 days from the termination of coverage in which to
elect and make his the initial payment under this
39 subsection.

41 C. An insurer is not required to continue coverage under a
43 group policy if the member or employee meets the conditions
set out in subsection 3, paragraph A.

45 D. The payment amount for continued group coverage under
47 this subsection may not exceed 102% of the group rate in
effect for a group member, including an employer's
49 contribution, if any.

51 E. At the option of the member or employee, the continued
53 group coverage may cover the member or employee, the member
or employee and his any dependents or only the dependents of
the

1 member or employee; provided that, in the latter 2 cases,
3 the dependents have been covered for a period of at least 3
5 months under the group policy, unless the dependents were
not eligible for coverage until after the beginning of the
3-month period.

7 F. Except as provided in paragraph G, coverage provided
9 under this section shall continue and may not be terminated:

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

15 (2) In the case of a termination which is the result
of a member or employee losing his employment because
17 of a ~~nonreverted~~ work-related injury or
occupational disease which renders him the member or
19 employee partially incapacitated, until 6 months from
the last day of work; and

21 (3) In the case of a termination which is the result
of a member or employee losing his employment because
23 of a ~~nonreverted~~ work-related injury or
occupational disease which renders him the member or
25 employee totally incapacitated, until one year from the
last day of work.

27 G. Coverage provided under this section may be terminated
29 sooner than provided under paragraph F if:

31 (1) The member or employee fails to make timely
33 payment of a required premium amount; or

35 (2) The member or employee becomes eligible for
coverage under another group policy; or

37 (3) The Workers' Compensation Commission determines
39 that the injury or disease which entitled the employee
to continue coverage under this section was not a
41 work-related injury or occupational disease.

43 H. At the expiration of any continued group coverage
obtained under this subsection, the member or employee has
45 the same conversion privileges as otherwise granted under
this section.

47 I. This subsection shall not be construed to:

49 (1) Prevent members or employees from negotiating for
or receiving greater continued coverage of group
51 insurance than is provided in this subsection; or

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

J. This subsection does not apply to any group policy subject to the United States Consolidated Omnibus Budget Reconciliation Act, Public Law 99-272, Title X, Private Health Insurance Coverage, Sections 10001 to 10003.

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STATEMENT OF FACT

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The purpose of the bill is to permit persons who lose group health insurance coverage as a result of a work-related injury or occupational disease to continue group insurance coverage, for up to one year, regardless of whether the employer disputes the compensability of the injury or disease under workers' compensation laws.