

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

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Legislative Document

No. 194

S.P. 81

In Senate, January 28, 1993

**An Act Requiring Disclosure of Coinsurance Provisions on Insurance Policies or Contracts.**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator HANLEY of Oxford.  
Cosponsored by Senator: SUMMERS of Cumberland, Representatives: KETTERER of  
Madison, ZIRNKILTON of Mount Desert.

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

2  
4           Sec. 1. 24-A MRSA §2453 is enacted to read:

6           §2453. Coinsurance

8           1. Disclosures. A policy or contract of insurance may not  
10 be delivered or issued for delivery in this State on or after  
12 January 1, 1994, unless the face of the policy or contract states  
14 in bold type the following:

16           A. The definition of coinsurance; and

18           B. The full extent of all coinsurance obligations of the  
20 policyholder or contract holder.

22           2. Illustration. A policy or contract of insurance may not  
24 be delivered or issued for delivery in this State on or after  
26 January 1, 1994, unless in the portion of the policy or contract  
28 related to coinsurance there is an illustration of the provision  
30 on coinsurance showing the impact of that provision.

STATEMENT OF FACT

26           This bill requires all insurance policies and contracts to  
28 state on the face of the policies or contracts the coinsurance  
30 obligations of the policyholder or contract holder. It requires  
them to define coinsurance and to provide an example of the  
impact of the coinsurance provision.