

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 848

H.P. 628

House of Representatives, March 10, 1993

An Act to Amend Laws Related to Dependent's Group Life Insurance Coverage.

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative PINEAU of Jay.

Cosponsored by Senators: CAREY of Kennebec, ESTY of Cumberland, KIEFFER of Aroostook.

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

Sec. 1. 24-A MRSA §2611-A, as enacted by PL 1981, c. 150, §15, is amended to read:

§2611-A. Dependent's coverage

Except for a policy issued under section 2604-A, a group life insurance policy may be ~~extended to~~ insure the lives of spouses and dependent children of employees or members against loss due to death without also insuring employees or members against loss due to the death of their spouses and dependent children, or any class or classes thereof, subject to the following.

1. The premium for the insurance shall ~~must~~ be paid either from funds contributed by the employer, union, association or other person to whom the policy has been issued or from funds contributed by ~~the covered persons~~ employees or members, or from both. Except as provided in subsection 2, a policy on which no part of the premium for the spouse's and dependent child's coverage is to be derived from funds contributed by ~~the covered persons~~ employees or members, spouses or dependent children must insure all eligible employees or members with respect to their spouses and dependent children, or all eligible spouses and dependent children, or any class or classes thereof.

2. An insurer may exclude or limit the coverage on any spouse or dependent child as to whom evidence of individual insurability is not satisfactory to the insurer.

~~3. The amounts of insurance for any covered spouse or dependent child under the policy may not exceed 50% of the amount of insurance for which the employee or member is insured.~~

Sec. 2. Application. This Act applies to all group life insurance policies issued or renewed on or after October 1, 1993.

STATEMENT OF FACT

This bill removes the 50% cap on amounts of group life insurance for spouses and dependent children and allows a group life policy to insure the lives of spouses and dependent children of employees or members against loss due to the death without also insuring employees or members of employers, unions and associations.