

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 1476

S.P. 491

In Senate, February 23, 1999

**An Act to Conform Maine Law to Federal Law Regarding Long-term  
Care Insurance for Tax Purposes.**

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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 KONTOS of Cumberland.  
Cosponsored by Representative GAGNON of Waterville and  
Senators: DAGGETT of Kennebec, DOUGLASS of Androscoggin, MILLS of Somerset,  
PINGREE of Knox, Representatives: MAYO of Bath, O'NEIL of Saco, SAXL of Bangor.

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

4 **Sec. 1. 24-A MRSA §5054, sub-§1,** as amended by PL 1997, c.  
604, Pt. D, §6, is further amended to read:

6 **1. Filing of form.** Any insurer, nonprofit hospital or  
7 medical service organization, or nonprofit health care plan may,  
8 at the time it files a policy or contract for approval for  
9 issuance or delivery in the State, or at any time thereafter,  
10 request that the superintendent certify the policy or contract as  
11 a long-term care policy, nursing home care policy or home health  
12 care policy within the meaning of section 5051.

14 Within 60 days of receipt of a request for certification, the  
15 superintendent shall:

16 A. Certify in writing that the policy or contract complies  
17 with this section;

20 B. Deny the request in writing, stating the reasons for  
21 denial; or

22 C. Notify the insurer or nonprofit hospital or medical  
23 service organization or nonprofit health care plan, in  
24 writing, that an insufficient basis exists for determining  
25 whether a certification should be made, indicating in what  
26 respects the request was insufficient.

28 **Sec. 2. 24-A MRSA §5054, sub-§2,** as enacted by PL 1989, c.  
30 556, Pt. B, §4, is amended to read:

32 **2. Standards for compliance.** The superintendent shall  
33 certify a policy or contract submitted for review under this  
34 section as a long-term care policy, nursing home care policy or  
35 home health care policy if the superintendent finds that the  
36 policy or contract:

38 A. Is a long-term care policy, nursing home care policy or  
39 home health care policy within the meaning of section 5051;  
40 and

42 B. Complies with all standards applicable to long-term  
43 care, nursing home care or home health care policies as set  
44 forth in this chapter and in chapters 27, 33 and 35 and in  
45 rules adopted pursuant to any of those chapters by the  
46 superintendent. Waivers granted under the rules shall must  
47 be taken into consideration.

48 **Sec. 3. 24-A MRSA §5055, sub-§2,** as enacted by PL 1989, c.  
50 556, Pt. B, §4, is amended to read:

2           **2. Income tax reduction.** Any person paying premiums for a  
policy or contract ~~which~~ that is certified by the superintendent  
4           as a long-term care, nursing home care or home health care policy  
~~shall qualify~~ qualifies for the income tax deduction provided for  
6           in Title 36, section 5122.

8           **Sec. 4. 24-A MRSA §5055, sub-§§4 and 5,** as enacted by PL 1989,  
c. 556, Pt. B, §4, are amended to read:

10           **4. Life insurance riders.** With respect to life insurance  
riders that qualify as long-term care, nursing home care or home  
12           health care policies, the tax incentives provided by this section  
shall apply only to that portion of the premium attributable to  
14           the rider.

16           **5. Provision of records.** Any person who holds a group  
long-term care, nursing home care or home health care policy  
18           pursuant to or under which premiums are paid in whole or in part  
by certificate holders or other 3rd parties shall provide to  
20           those certificate holders or 3rd parties adequate and timely  
records to enable those persons to have knowledge of the tax  
22           reduction to which they may be entitled under subsection 2 and  
under Title 36, section 5122.  
24

26           **Sec. 5. 36 MRSA §5122, sub-§2, ¶G,** as amended by PL 1995, c.  
639, §15, is further amended to read:

28           **G.** For income tax years commencing on or after January 1,  
1989, an amount equal to the total premiums spent for  
30           insurance policies for long-term care, nursing home care or  
32           home health care that have been certified by the  
Superintendent of Insurance as complying with Title 24-A,  
chapter 68;  
34

36           **Sec. 6. Application.** This Act applies to taxable years  
beginning on or after January 1, 2000.

38  
40                                 **SUMMARY**

42           This bill makes the laws concerning long-term care insurance  
conform with federal law by allowing premiums paid for long-term  
44           care, nursing home care and home health care insurance policies  
to be deductible for state income tax purposes.  
46