

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1152

H.P. 873

House of Representatives, February 28, 2001

An Act to Amend the Standard Valuation Law for Life Insurance and to Restrict Limitation of Liability for Death by Suicide in Group Life Insurance Policies.

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative DUDLEY of Portland.
Cosponsored by Senator DOUGLASS of Androscoggin and
Representatives: GLYNN of South Portland, O'NEIL of Saco, SULLIVAN of Biddeford,
Senators: ABROMSON of Cumberland, LaFOUNTAIN of York.

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

2
4 **Sec. 1. 24-A MRSA §952-A, sub-§4, ¶H**, as enacted by PL 1993,
c. 634, Pt. B, §1 and affected by §4, is repealed and the
6 following enacted in its place:

8 H. Except as provided in paragraphs K, L and M, any
10 memorandum in support of the opinion and any other
12 documents, materials or other information provided by the
14 insurer to the superintendent in connection with the
16 memorandum must be kept confidential by the superintendent
18 and are not public records within the meaning of the freedom
of access laws and are not subject to subpoena or discovery,
nor admissible in evidence in any private civil action. The
superintendent is authorized to use the documents, materials
or other information in the furtherance of any regulatory or
legal action brought as a part of the superintendent's
official duties.

20 **Sec. 2. 24-A MRSA §952-A, sub-§4, ¶¶I to M** are enacted to read:

22 I. Neither the superintendent nor any person who received
24 documents, materials or other information while acting under
26 the authority of the superintendent is permitted or required
to testify in any private civil action concerning any
confidential documents, materials or information pursuant to
paragraph H.

28 J. Disclosure to the superintendent under this section or
30 as a result of sharing of documents, materials or other
32 information pursuant to section 216 does not constitute a
waiver of any applicable privileges or claim of
34 confidentiality in the documents, materials or other
information.

36 K. A memorandum in support of the opinion, and any other
38 documents, materials or other information provided by the
40 life insurer to the superintendent in connection with the
memorandum, may be subject to subpoena for the purpose of
42 defending an action seeking damages from the actuary
submitting the memorandum by reason of an action pursuant to
this section or by rule adopted pursuant to this section.

44 L. The memorandum or other documents, materials or other
46 information may otherwise be released by the superintendent
with the written consent of the life insurer or upon a
48 written request by the American Academy of Actuaries stating
that the memorandum or other documents, materials or other
information is required for the purpose of professional

2 disciplinary proceedings and setting forth procedures
3 satisfactory to the superintendent for preserving the
4 confidentiality of the memorandum or other documents,
5 materials or other information.

6 M. Once any portion of a memorandum is cited by the life
7 insurer in its marketing or is cited by the life insurer
8 before a governmental agency other than a state insurance
9 agency or is released by the life insurer to the news media,
10 all portions of the memorandum become public records.

12 **Sec. 3. 24-A MRSA §2630 is enacted to read:**

14 **§2630. Suicide**

16 A group life insurance policy delivered or issued for
17 delivery in this State may not contain a more restrictive
18 exclusion from liability for death resulting from suicide than
19 death by suicide, while sane or insane, within 2 years from the
20 date coverage commences or within 2 years of an increase in
21 coverage.

22

24

SUMMARY

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27 This bill amends the Standard Valuation Law for life
28 insurance by clarifying the confidentiality provisions. It
29 ensures the ability of the Superintendent of Insurance to
30 maintain the confidentiality of sensitive regulatory information,
31 while allowing the sharing of information with other state,
32 federal and international regulators and law enforcement
33 officials.

34

35 This bill also requires group life insurance policies issued
36 in the State to contain suicide exclusion clauses that are no
37 more restrictive than clauses allowed under individual life
38 insurance policies issued in the State. The provision would
39 allow companies to exclude coverage for death by suicide
40 occurring within 2 years from the date coverage commences or
41 within 2 years of an increase in coverage but would prohibit an
42 indefinite exclusion of coverage for death by suicide.

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