

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1217

S.P. 379

In Senate, February 28, 2001

**An Act to Create Uniform Underwriting Standards for Determining
Eligibility for Certain Group Policies.**

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 GOLDTHWAIT of Hancock.
Cosponsored by Representative BERRY of Livermore.

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

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3 **Sec. 1. 24-A MRSA §2808-B, sub-§1, ¶D,** as repealed and
4 replaced by PL 1997, c. 445, §12 and affected by §32, is amended
5 to read:

6
7 D. "Eligible group" means any person, firm, corporation,
8 partnership, association or subgroup engaged actively in a
9 business that employed an average of 50 or fewer eligible
10 employees during the preceding calendar year, more of whom
11 are employed within this State than in any other state.

12 (1) If an employer was not in existence throughout the
13 preceding calendar year, the determination must be
14 based on the average number of employees that the
15 employer is reasonably expected to employ on business
16 days in the current calendar year.

17 (2) In determining the number of eligible employees,
18 companies that are affiliated companies or that are
19 eligible to file a combined tax return for purposes of
20 state taxation are considered one employer.
21

22 (3) An employer qualifies as an eligible group for
23 2-person coverage if the employer provides a carrier
24 with the following information:

25 (a) Documentation showing the existence of a
26 commercial checking account for the business,
27 separate from a personal checking account of the
28 business owner;

29 (b) If the 2nd employee does not receive a
30 paycheck, a notarized affidavit from the employer
31 that the employee works a minimum of 10 hours per
32 week for at least 26 weeks per year, except that
33 the weeks worked do not have to be consecutive;

34 (c) A notarized affidavit from the employee not
35 receiving a paycheck that the employee meets the
36 requirement of division (b), that the employee is
37 not defrauding the carrier and that the employee
38 is aware of the consequences of committing fraud
39 or making a material misrepresentation to the
40 carrier, including a loss of coverage and
41 benefits; and

42 (d) A statement from the employer's insurance
43 producer affirming the producer's belief that the
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employer qualifies as an eligible group for coverage.

SUMMARY

This bill establishes criteria for determining when an employer qualifies as an eligible group for 2-person group coverage.