

# MAINE STATE LEGISLATURE

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R.O/S

L.D. 1438

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INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 476, L.D. 1438, Bill, "An Act To Require Disclosure of Benefit Offsets under Disability Insurance Policies"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 24-A MRSA §2717-A is enacted to read:

§2717-A. Disclosure of benefit offsets to applicants

At or before the time of application for any policy subject to this chapter that provides disability income benefits, the insurer shall provide the applicant with a clear and conspicuous written notice, on the application form or in a separate document, that accurately explains to the applicant all types of other sources of income that may result in a reduction of the benefits payable under the policy.

Sec. 2. 24-A MRSA §2829-A is enacted to read:

§2829-A. Disclosure of benefit offsets to enrollees

For any policy or contract subject to this chapter that provides disability income benefits, if the benefits under that policy or contract are subject to reduction due to other sources of income, then the insurer shall include in any written enrollment material and certificate of coverage developed by the

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2 insurer that is intended to be distributed to persons eligible  
4 for coverage under the policy or contract a clear and conspicuous  
6 notice that accurately explains all types of other sources of  
8 income that may result in a reduction of the benefits payable  
10 under the policy or contract. The notice requirement under this  
12 section does not apply to an advertisement intended for the  
14 general public.'

10

**SUMMARY**

12 This amendment replaces the bill. With regard to individual  
14 policies, the amendment requires that insurers provide a clear,  
16 written disclosure of any benefit offsets on the application form  
18 or in a separate document. With regard to group policies and  
contract, the amendment requires insurers to include the notice  
intended for distribution to persons eligible for coverage under  
the policy or contract.

**COMMITTEE AMENDMENT**