

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 388

H.P. 304

House of Representatives, January 26, 2007

An Act Concerning Insurance for Churches and Nonprofit Organizations

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senator SNOWE-MELLO of Androscoggin and
Representatives: GERZOFKY of Brunswick, JOY of Crystal, KOFFMAN of Bar Harbor,
MacDONALD of Boothbay, McKANE of Newcastle, PINGREE of North Haven,
RICHARDSON of Warren, Senator: STRIMLING of Cumberland.

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

2 **Sec. 1. 24-A MRSA §2607-B** is enacted to read:

3 **§2607-B. Church and nonprofit organization groups**

4 A group of individuals may be insured under a policy issued to a church or nonprofit
5 organization, which is deemed to be the policyholder, to insure members of that church or
6 nonprofit organization. The policy is subject to the provisions of this section.

7 **1. Eligibility.** To be eligible for insurance under the policy a group of individuals
8 must be members of the church or nonprofit organization, employees thereof or
9 employees of members or one or more of the preceding or all of any class or classes
10 thereof for the benefit of persons other than the employees.

11 **2. Premiums.** The premium for the policy must be paid from funds of the church or
12 nonprofit organization or from funds contributed by the insured members specifically for
13 their insurance or from both. Except as provided in subsection 3, a policy on which no
14 part of the premium is to be derived from funds contributed by the insured members
15 specifically for their insurance must insure all eligible members, except those who reject
16 such coverage in writing.

17 **3. Evidence of insurability.** An insurer may exclude or limit the coverage on any
18 person as to whom evidence of individual insurability is not satisfactory to the insurer.

19 **Sec. 2. 24-A MRSA §2805-B** is enacted to read:

20 **§2805-B. Church and nonprofit organization groups**

21 A group of individuals may be insured under a policy issued to a church or nonprofit
22 organization, which is deemed to be the policyholder, to insure members of that church or
23 nonprofit organization. The policy is subject to the provisions of this section.

24 **1. Eligibility.** To be eligible for insurance under the policy a group of individuals
25 must be members of the church or nonprofit organization, employees thereof or
26 employees of members or one or more of the preceding or all of any class or classes
27 thereof for the benefit of persons other than the employees.

28 **2. Premiums.** The premium for the policy must be paid from funds of the church or
29 nonprofit organization or from funds contributed by the insured members specifically for
30 their insurance or from both. Except as provided in subsection 3, a policy on which no
31 part of the premium is to be derived from funds contributed by the insured members
32 specifically for their insurance must insure all eligible members, except those who reject
33 such coverage in writing.

34 **3. Evidence of insurability.** Except as provided in section 2736-C, section 2808-B
35 and chapter 36, an insurer may exclude or limit the coverage on any person as to whom
36 evidence of individual insurability is not satisfactory to the insurer.

37 **Sec. 3. 24-A MRSA §3008** is enacted to read:

1 **§3008. Church and nonprofit organization groups**

2 A group of individuals may be insured under a policy issued to a church or nonprofit
3 organization, which is deemed to be the policyholder, to insure members of that church or
4 nonprofit organization. The policy is subject to the provisions of this section.

5 **1. Eligibility.** To be eligible for insurance under the policy a group of individuals
6 must be members of the church or nonprofit organization, employees thereof or
7 employees of members or one or more of the preceding or all of any class or classes
8 thereof for the benefit of persons other than the employees.

9 **2. Premiums.** The premium for the policy must be paid from funds of the church or
10 nonprofit organization or from funds contributed by the insured members specifically for
11 their insurance or from both. Except as provided in subsection 3, a policy on which no
12 part of the premium is to be derived from funds contributed by the insured members
13 specifically for their insurance must insure all eligible members, except those who reject
14 such coverage in writing.

15 **3. Evidence of insurability.** An insurer may exclude or limit the coverage on any
16 person as to whom evidence of individual insurability is not satisfactory to the insurer.

17 **SUMMARY**

18 This bill allows members of a church or nonprofit organization to qualify as a group
19 for the purposes of purchasing insurance.