

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1865

S.P. 678

April 24, 2007

An Act To Amend the Long-term Care Insurance Law

Reference to the Committee on Insurance and Financial Services 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 SULLIVAN of York. (GOVERNOR'S BILL)
Cosponsored by Representative VAUGHAN of Durham and Senator: SNOWE-MELLO of
Androscoggin, Representative: BRAUTIGAM of Falmouth.

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

2 **Sec. 1. 24-A MRSA §5076, sub-§4**, as enacted by PL 1999, c. 292, §2, is
3 amended to read:

4 **4. Field-issued policies or certificates.** A long-term care insurance policy or
5 certificate may not be field-issued ~~based on medical or health status~~ if the compensation
6 to the field issuer is based on the number of policies or certificates issued. For the
7 purposes of this subsection, "field-issued" means a policy or certificate issued by ~~an agent~~
8 a producer or a 3rd-party administrator pursuant to the underwriting authority granted to
9 the ~~agent producer~~ or 3rd-party administrator by an insurer using the insurer's
10 underwriting guidelines.

11 **Sec. 2. 24-A MRSA §5078**, as enacted by PL 1999, c. 292, §2, is amended to
12 read:

13 **§5078. Rulemaking**

14 The superintendent shall adopt rules to promote premium adequacy, to protect a
15 policyholder and a certificate holder in the event of substantial rate increases and to
16 establish minimum standards for marketing practices, insurance producer compensation,
17 insurance producer education, insurance producer testing, penalties and reporting
18 practices for long-term care insurance. Rules adopted pursuant to this section are routine
19 technical rules as defined in Title 5, chapter 375, subchapter H-A 2-A.

20 **Sec. 3. 24-A MRSA §5081** is enacted to read:

21 **§5081. Producer training requirements**

22 **1. Training required.** An individual may not sell, solicit or negotiate long-term
23 care insurance unless:

24 A. The individual is licensed as a life or health insurance producer;

25 B. The individual has completed a one-time training course that is no less than 8
26 hours in length; and

27 C. The individual completes ongoing training of no less than 4 hours every 24
28 months thereafter.

29 An individual licensed as a life or health insurance provider and who is actively selling,
30 soliciting or negotiating long-term care insurance as of the effective date of this section
31 must complete a one-time training course by July 1, 2008 and ongoing training every 24
32 months thereafter in order to continue selling, soliciting or negotiating long-term care
33 insurance.

34 The training required by this subsection must meet the requirements set forth in
35 subsection 2. The training requirements of subsection 2 may be approved as continuing
36 education courses under chapter 16, subchapter 7.

1 compensation is based on the number of policies or certificates sold. The bill also
2 imposes training requirements on producers who sell, solicit or negotiate long-term care
3 policies.