

MAINE STATE LEGISLATURE

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SEVENTY-SIXTH LEGISLATURE

HOUSE

NO. 270

House of Representatives, Feb. 19, 1913.

Mr. Higgins moved to reconsider the vote whereby this bill was referred to the Committee on Mercantile Affairs and Insurance, and on motion of same gentleman was tabled pending reference to Committee and ordered printed.

W. R. ROIX, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND THIRTEEN.

AN ACT relating to standard provisions for accident and
health policies.

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

Section 1. On and after the first day of January, 1914,
2 no policy of insurance against loss or damage from the
3 sickness, or the bodily injury or death of the insured by
4 accident shall be issued or delivered to any person in this
5 state until a copy of the form thereof and of the classifi-
6 cation of risks and the premium rates pertaining thereto
7 have been filed with the insurance commissioner; nor shall

8 it be so issued or delivered until the expiration of thirty
9 days after it has been so filed unless the said commissioner
10 shall sooner give his written approval thereto. If the said
11 commissioner shall notify, in writing, the company, cor-
12 poration, association, society or other insurer which has
13 filed such form that it does not comply with the require-
14 ments of law, specifying the reasons for his opinion, it shall
15 be unlawful thereafter for any such insurer to issue any
16 policy in such form. The action of the said commissioner
17 in this regard shall be subject to review by any justice of
18 the supreme judicial court.

Sect. 2. No such policy shall be so issued or delivered
2 (1) unless the entire money and other considerations there-
3 for are expressed in the policy; nor (2) unless the time at
4 which the insurance thereunder takes effect and terminates
5 is stated in a portion of the policy preceding its execution
6 by the insurer; nor (3) if the policy purports to insure
7 more than one person; nor (4) unless every printed por-
8 tion thereof and of any endorsements or attached papers
9 shall be plainly printed in type of which the face shall be
10 not smaller than ten point; nor (5) unless a brief descrip-
11 tion thereof be printed on its first page and on its filing
12 back in type of which the face shall be not smaller than
13 fourteen point; nor (6) unless the exceptions of the policy
14 be printed with the same prominence as the benefits to
15 which they apply, provided, however, that any portion of
16 such policy which purports, by reason of the circumstances

17 under which a loss is incurred, to reduce any indemnity
18 promised therein to an amount less than that provided for
19 the same loss occurring under ordinary circumstances, shall
20 be printed in bold face type and with greater prominence
21 than any other portion of the text of the policy.

Sect. 3. Every such policy so issued shall contain cer-
2 tain standard provisions, which shall be in the words and
3 in the order hereinafter set forth and be preceded in every
4 policy by the caption "Standard Provisions." In each such
5 standard provision wherever the word "insurer" is used,
6 there shall be substituted therefor "company" or "corpora-
7 tion" or "association" or "society" or such other word as
8 will properly designate the insurer. Said standard pro-
9 visions shall be:

(1) A standard provision relative to the contract which
11 may be in either of the following two forms: Form (A)
12 to be used in policies which do not provide for reduction
13 of indemnity on account of change of occupation, and Form
14 (B) to be used in policies which do so provide. If Form
15 (B) is used and the policy provides indemnity against loss
16 from sickness, the words "or contracts sickness" may be
17 inserted therein immediately after the words "in the event
18 that the insured is injured."

(A):—I. This policy includes the endorsements and at-
20 tached papers if any, and contains the entire contract of
21 insurance. No reduction shall be made in any indemnity
22 herein provided by reason of change in the occupation of

23 the insured or by reason of his doing any act or thing per-
24 taining to any other occupation.

(B):—1. This policy includes the endorsements and at-
26 tached papers if any, and contains the entire contract of
27 insurance except as it may be modified by the insurer's
28 classification of risks and premium rates in the event that
29 the insured is injured after having changed his occupation
30 to one classified by the insurer as more hazardous than that
31 stated in the policy, or while he is doing any act or thing
32 pertaining to any occupation so classified, except ordinary
33 duties about his residence or while engaged in recreation,
34 in which event the insurer will pay only such portion of
35 the indemnities provided in the policy as the premium paid
36 would have purchased at the rate but within the limits so
37 fixed by the insurer for such more hazardous occupation.

If the law of the state in which the insured resides at the
39 time this policy is issued requires that prior to its issue a
40 statement of the premium rates and classification of risks
41 pertaining to it shall be filed with the state official having
42 supervision of insurance in such state then the premium
43 rates and classification of risks mentioned in this policy
44 shall mean only such as have been last filed by the insurer
45 in accordance with such law, but if such filing is not re-
46 quired by such law then they shall mean the insurer's pre-
47 mium rates and classification of risks last made effective
48 by it in such state prior to the occurrence of the loss for
49 which the insurer is liable.

(2) A standard provision relative to changes in the contract, which shall be in the following form:

2. No statement made by the applicant for insurance not included herein shall avoid the policy or be used in any legal proceeding hereunder. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall be valid unless approved by an executive officer of the insurer and such approval be endorsed hereon.

(3) A standard provision relative to reinstatement of policy after lapse which may be in either of the three following forms: Form (A) to be used in policies which insure only against loss from accident; Form (B) to be used in policies which insure only against loss from sickness; and Form (C) to be used in policies which insure against loss from both accident and sickness.

(A):—3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of the past due premium by the insurer or by any of its duly authorized agents shall reinstate the policy, but only to cover loss resulting from accidental injury thereafter sustained.

(B):—3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of the past due premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only

76 to cover such sickness as may begin more than ten days
77 after the date of such acceptance.

(C):—3. If default be made in the payment of the
79 agreed premium for this policy, the subsequent acceptance
80 of the past due premium by the insurer or by any of its
81 duly authorized agents shall reinstate the policy but only
82 to cover accidental injury thereafter sustained and such
83 sickness as may begin more than ten days after the date of
84 such acceptance.

(4) A standard provision relative to time of notice of
86 claim which may be in either of the three following forms:
87 Form (A) to be used in policies which insure only against
88 loss from accident; Form (B) to be used in policies which
89 insure only against loss from sickness, and Form (C) to be
90 used in policies which insure against loss from both acci-
91 dent and sickness. If Form (A) or Form (C) is used the
92 insurer may at its option add thereto the following sentence,
93 "in event of accidental death immediate notice thereof must
94 be given to the insurer."

(A):—4. Written notice of injury on which claim may
96 be based must be given to the insurer within twenty days
97 after the date of the accident causing such injury.

(B):—4. Written notice of sickness on which claim may
99 be based must be given to the insurer within ten days after
100 the commencement of the disability from such sickness.

(C):—4. Written notice of injury or of sickness on
102 which claim may be based must be given to the insurer

103 within twenty days after the date of the accident causing
104 such injury or within ten days after the commencement
105 of disability from such sickness.

(5) A standard provision relative to sufficiency of notice
107 of claim which shall be in the following form and in which
108 the insurer shall insert in the blank space such office and
109 its location as it may desire to designate for such purpose
110 of notice:

5. Such notice given by or in behalf of the insured
112 or beneficiary, as the case may be, to the insurer at
113 or to any authorized agent of the in-
114 surer, with particulars sufficient to identify the insured,
115 shall be deemed to be notice to the insurer. Failure to
116 give notice within the time provided in this policy shall not
117 invalidate any claim if it shall be shown not to have been
118 reasonably possible to give such notice and that notice was
119 given as soon as was reasonably possible.

(6) A standard provision relative to furnishing forms
121 for the convenience of the insured in submitting proof of
122 loss as follows:

6. The insurer upon receipt of such notice, will furnish
124 to the claimant such forms as are usually furnished by it
125 for filing proofs of loss. If such forms are not so fur-
126 nished within fifteen days after the receipt of such notice
127 the claimant shall be deemed to have complied with the re-
128 quirements of this policy as to proof of loss upon submit-
129 ting within the time fixed in the policy for filing proofs of

130 loss, written proof covering the occurrence, character and
131 extent of the loss for which claim is made.

(7) A standard provision relative to filing proof of loss
133 which shall be in such one of the following forms as may
134 be appropriate to the indemnities provided:

(A) :—7. Affirmative proof of loss must be furnished to
136 the insurer at its said office within ninety days after the
137 date of the loss for which claim is made.

(B) :—7. Affirmative proof of loss must be furnished
139 to the insurer at its said office within ninety days after the
140 termination of the period of disability for which the com-
141 pany is liable.

(C) :—7. Affirmative proof of loss must be furnished to
143 the insured at its said office in case of claim for loss of
144 time from disability within ninety days after the termina-
145 tion of the period for which the insurer is liable, and in
146 case of claim for any other loss, within ninety days after
147 the date of such loss.

(8) A standard provision relative to examination of the
149 person of the insured and relative to autopsy which shall
150 be in the following form:

8. The insurer shall have the right and opportunity to
152 examine the person of the insured when and so often as
153 it may reasonably require during the pendency of claim
154 hereunder, and also the right and opportunity to make an
155 autopsy in case of death where it is not forbidden by law.

(9) A standard provision relative to the time within

157 which payments other than those for loss of time on ac-
 158 count of disability shall be made, which provision may be
 159 in either of the following two forms and which may be
 160 omitted from any policy providing only indemnity for loss
 161 of time on account of disability. The insurer shall insert
 162 in the blank space either the word "immediately" or appro-
 163 priate language to designate such period of time, not more
 164 than sixty days, as it may desire; Form (A) to be used in
 165 policies which do not provide indemnity for loss of time on
 166 account of disability and Form (B) to be used in policies
 167 which do so provide.

(A) :—9. All indemnities provided in this policy will be
 169 paid after receipt of due proof.

(B) :—9. All indemnities provided in this policy for loss
 171 other than that of time on account of disability will be
 172 paid after receipt of due proof.

(10) A standard provision relative to periodical pay-
 174 ments of indemnity for loss of time on account of dis-
 175 ability, which provision shall be in the following form,
 176 and which may be omitted from any policy not providing
 177 for such indemnity. The insurer shall insert in the first
 178 blank space of the form, appropriate language to designate
 179 the proportion of accrued indemnity it may desire to pay,
 180 which proportion may be all or any part not less than one-
 181 half, and in the second blank space shall insert any period
 182 of time not exceeding sixty days.

10. Upon request of the insured and subject to due proof

184 of loss accrued indemnity for loss of time
 185 on account of disability will be paid at the expiration of
 186 each during the continuance of the period
 187 for which the insurer is liable, and any balance remaining
 188 unpaid at the termination of such period will be paid im-
 189 mediately upon receipt of due proof.

(11) A standard provision relative to indemnity pay-
 191 ments which may be in either of the two following forms:
 192 Form (A) to be used in policies which designate a bene-
 193 ficiary and Form (B) to be used in policies which do not
 194 designate any beneficiary other than the insured.

(A):—11. Indemnity for loss of life of the insured is
 196 payable to the beneficiary if surviving the insured, and
 197 otherwise to the estate of the insured. All other indemni-
 198 ties of this policy are payable to the insured.

(B):—11. All the indemnities of this policy are payable
 200 to the insured.

(12) A standard provision providing for cancellation of
 202 the policy at the instance of the insured which shall be in
 203 the following form:

12. If the insured shall at any time change his occupation
 205 to one classified by the insurer as less hazardous than that
 206 stated in the policy, the insurer, upon written request of
 207 the insured, and surrender of the policy, will cancel the
 208 same and will return to the insured the unearned pre-
 209 mium.

(13) A standard provision relative to the rights of the

211 beneficiary under the policy which shall be in the following
212 form and which may be omitted from any policy not des-
213 ignating a beneficiary :

13. Consent of the beneficiary shall not be requisite to
215 surrender or assignment of this policy, or to change of
216 beneficiary, or to any other changes in the policy.

(14) A standard provision limiting the time within which
218 suit may be brought upon the policy as follows :

14. No action at law or in equity shall be brought to re-
220 cover on this policy prior to the expiration of sixty days
221 after proof of loss has been filed in accordance with the
222 requirements of this policy, nor shall such action be
223 brought at all unless brought within two years from the
224 expiration of the time within which proof of loss is re-
225 quired by the policy.

(15) A standard provision relative to time limitations of
227 the policy as follows :

15. If any time limitation of this policy with respect to
229 giving notice of claim or furnishing proof of loss is less
230 than that permitted by the law of the state in which the
231 insured resides at the time this policy is issued, such limi-
232 tation is hereby extended to agree with the minimum period
233 permitted by such law.

Section 4. No such policy shall be so issued or delivered
2 which contains any provision (1) relative to cancellation at
3 the instance of the insurer; or, (2) limiting the amount of
4 indemnity to a sum less than the amount stated in the

5 policy and for which the premium has been paid; or, (3)
6 providing for the deduction of any premium from the
7 amount paid in settlement of claim; or, (4) relative to other
8 insurance by the same insurer; or (5) relative to the age
9 limits of the policy; unless such provisions which are here-
10 by designated as optional standard provisions, shall be in
11 the words and in the order in which they are hereinafter
12 set forth, but the insurer may at its option omit from the
13 policy any such optional standard provision. Such optional
14 standard provisions if inserted in the policy shall immediate-
15 ly succeed the standard provisions named in section three
16 of this act.

(1.) An optional standard provision relative to cancella-
18 tion of the policy at the instance of the insurer as follows:

16. The insurer may cancel this policy at any time by
20 written notice delivered to the insured or mailed to his last
21 address as shown by the records of the insurer together
22 with cash or the insurer's check for the unearned portion of
23 the premiums actually paid by the insured, and such can-
24 cellation shall be without prejudice to any claim originating
25 prior thereto.

(2) An optional standard provision relative to reduction
27 of the amount of indemnity to a sum less than that stated
28 in the policy as follows:

17. If the insurer shall carry with another company,
30 corporation, association or society other insurance cov-
31 ering the same loss without giving written notice to
32 the insurer, then in that case the insurer shall be

33 liable only for such portion of the indemnity prom-
34 ised as the said indemnity bears to the total amount
35 of like indemnity in all policies covering such loss,
36 and for the return of such part of the premium paid
37 as shall exceed the pro rata for the indemnity thus de-
38 terminated.

(3) An optional standard provision relative to deduction
40 of premium upon settlement of claim as follows:

18. Upon the payment of claim hereunder any premium
42 then due and unpaid or covered by any note or written
43 order may be deducted therefrom.

(4) An optional standard provision relative to other in-
45 surance by the same insurer which shall be in such one of
46 the following forms as may be appropriate to the indem-
47 nities provided, and in the blank spaces of which the insurer
48 shall insert such upward limits of indemnity as are specified
49 by the insurer's classification of risks, filed as required by
50 this act.

(A)—19. If a like policy or policies, previously issued by
52 the insurer to the insured be in force concurrently herewith,
53 making the aggregate indemnity in excess of \$.....
54 the excess insurance shall be void and all premiums paid for
55 such excess shall be returned to the insured.

(B)—19. . If a like policy or policies, previously issued by
57 the insurer to the insured be in force concurrently herewith,
58 making the aggregate indemnity for loss of time on ac-
59 count of disability in excess of \$..... weekly, the ex-

60 cess insurance shall be void and all premiums paid for such
61 excess shall be returned to the insured.

(C)—19. If a like policy or policies, previously issued by
63 the insurer to the insured be in force concurrently herewith,
64 making the aggregate indemnity for loss other than that of
65 time on account of disability in excess of \$., or the
66 aggregate indemnity for loss of time on account of disability
67 in excess of \$. weekly, the excess insurance of
68 either kind shall be void and all premiums paid for such
69 excess shall be returned to the insured.

(5) An optional standard provision relative to the age
71 limits of the policy which shall be in the following form and
72 in the blank spaces of which the insurer shall insert such
73 number of years as it may elect:

20. The insurance under this policy shall not cover any
75 person under the age of years nor over the age of
76 years. Any premium paid to the insurer for any
77 period not covered by this policy will be returned upon re-
78 quest.

Sect. 5. No such policy shall be so issued or delivered if
2 it contains any provision contradictory, in whole or part, of
3 any of the provisions hereinbefore in this act designated as
4 "Standard Provisions" or as "Optional Standard Provis-
5 ions;" nor shall any endorsements or attached papers vary,
6 alter, extend, be used as a substitute for, or in any way con-
7 flict with any of the said "Standard Provisions" or the said
8 "Optional Standard Provisions"; nor shall such policy be

9 so issued or delivered if it contains any provision purport-
10 ing to make any portion of the charter, constitution or by-
11 laws of the insurer a part of the policy unless such portion
12 of the charter, constitution or by-laws shall be set forth in
13 full in the policy, but this prohibition shall not be deemed
14 to apply to any statement of rates or classification of risks
15 filed with the Insurance Commissioner in accordance with
16 the provisions of this act.

Sect. 6. The falsity of any statement in the application
2 for any policy covered by this act shall not bar the right to
3 recovery thereunder unless such false statement was made
4 with actual intent to deceive or unless it materially affected
5 either the acceptance of the risk or the hazard assumed by
6 the insurer.

Sect. 7. The acknowledgment by any insurer of the re-
2 ceipt of notice given under any policy covered by this act,
3 or the furnishing of forms for filing proofs of loss, or the
4 acceptance of such proofs, or the investigation of any claim
5 thereunder shall not operate as a waiver of any of the rights
6 of the insurer in defense of any claim arising under such
7 policy.

Sect. 8. No alteration of any written application for in-
2 surance by erasure, insertion or otherwise, shall be made by
3 any person other than the applicant without his written
4 consent, and the making of any such alteration without the
5 consent of the applicant shall be a misdemeanor. If such
6 alteration shall be made by any officer of the insurer, or by

7 any employee of the insurer with the insurer's knowledge or
8 consent, then such act shall be deemed to have been per-
9 formed by the insurer thereafter issuing the policy upon
10 such altered application.

Sect. 9. A policy issued in violation of this act shall be
2 held valid but shall be construed as provided in this act and
3 when any provision in such a policy is in conflict with any
4 provision of this act the rights, duties and obligations of
5 the insurer, the policy-holder and the beneficiary shall be
6 governed by the provisions of this act.

Sect. 10. The policies of insurance against accidental
2 bodily injury or sickness issued by an insurer not organ-
3 ized under the laws of this state may contain, when issued
4 in this state, any provision which the law of the state, terri-
5 tory or district of the United States under which the in-
6 surer is organized, prescribes for insertion in such policies,
7 and the policies of insurance against accidental bodily in-
8 jury or sickness issued by an insurer organized under the
9 laws of this state may contain, when issued or delivered in
10 any other state, territory, district or country, any provision
11 required by the laws of the state, territory, district or coun-
12 try in which the same are issued, anything in this act to the
13 contrary notwithstanding.

Sect. 11. Discrimination between individuals of the same
2 class in the amount of premiums or rates charged for any
3 policy of insurance covered by this act, or in the benefits
4 payable thereon, or in any of the terms or conditions of such

5 policy, or in any other manner whatsoever is prohibited.

Sect. 12. (1) Nothing in this act, however, shall apply
2 to or affect any policy of liability or workmen's compensa-
3 tion insurance or any general or blanket policy of insurance
4 issued to any municipal corporation or department thereof,
5 or to any corporation, co-partnership, association or in-
6 dividual employer, police or fire department, underwriters'
7 corps, salvage bureau, or like associations or organizations,
8 where the officers, members or employees or classes or de-
9 partments thereof are insured for their individual benefits
10 against specified accidental bodily injuries or sickness while
11 exposed to the hazards of the occupation or otherwise in
12 consideration of a premium intended to cover the risks of
13 all the persons insured under such policy.

(2). Nothing in this act shall apply to or in any way af-
15 **fect contracts supplemental to contracts of life or endow-**
16 **ment insurance** where such supplemental contracts contain
17 no provisions except such as operate to safeguard such in-
18 surance against lapse or to provide a special surrender value
19 therefor in the event that the insured shall be totally and
20 permanently disabled by reason of accidental bodily injury
21 or by sickness; provided that no such supplemental contract
22 shall be issued or delivered to any person in this state unless
23 and until a copy of the form thereof has been submitted to
24 and approved by the Insurance Commissioner, under such
25 reasonable rules and regulations as he shall make concern-

26 ing the provisions in such contracts and their submission
27 to and approval by him.

(3) Nothing in this act shall apply to or in any way af-
29 fect fraternal benefit societies.

(4) The provisions of this act contained in clause (5) of
31 section 2 and clauses 2, 3, 8 and 12 of Section 3 may be
32 omitted from railroad ticket policies sold only at railroad
33 stations, or at railroad ticket offices by railroad employees.

Sect. 13. Any company, corporation, association, society
2 or other insurer or any officer or agent thereof, which or
3 who issues or delivers to any person in this state any policy
4 in wilful violation of the provisions of this act shall be pun-
5 ished by a fine of not more than one hundred dollars for
6 each offense, and the Insurance Commissioner may revoke
7 the license of any company, corporation, association, society
8 or other insurer of another state or country, or of the agent
9 thereof, which or who wilfully violates any provision of this
10 act.

Sect. 14. All acts or parts of acts inconsistent with this
2 act are hereby repealed.

Sect. 15. This act shall take effect on the first day of
2 October, 1913. Any policy covered by this act, the form of
3 which has received the approval of the Insurance Commis-
4 sioner may be issued or delivered in this State on and after
5 the said date.