

**Maine Revised Statute Title 24-A, Chapter 31: GROUP LIFE INSURANCE**

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## **24-A §2601. SCOPE OF CHAPTER -- SHORT TITLE**

1. This chapter applies only to group life insurance.

[ 1969, c. 132, §1 (NEW) . ]

2. This chapter does not apply to any contracts or policies entered into or issued prior to August 6, 1949 nor to any extensions, renewals or modifications thereof or amendments thereto whenever made.

[ 1969, c. 132, §1 (NEW) . ]

3. This chapter may be known and cited as the "Group Life Insurance Law."

[ 1969, c. 132, §1 (NEW) . ]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## **24-A §2602. GROUP CONTRACTS MUST MEET GROUP REQUIREMENTS (REPEALED)**

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §1 (RP).

## **24-A §2602-A. ELIGIBLE GROUPS**

Except as provided in section 2612-A, no policy of group life insurance may be delivered in this State unless it conforms to one of the descriptions in sections 2603 to 2610-A. [1981, c. 150, §2 (NEW) . ]

### SECTION HISTORY

1981, c. 150, §2 (NEW) .

## **24-A §2603. EMPLOYEE GROUPS**

The lives of a group of individuals may be insured under a policy issued to an employer or to the trustees of a fund established by an employer, which employer or trustees are considered the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements. [1981, c. 150, §3 (RPR) . ]

1. The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof. The policy may provide that the term "employees" includes the employees of one or more subsidiary corporations, and the employees, individual proprietors and partners of one or more affiliated corporations, proprietorships or partnerships if the business of the employer and of the affiliated corporations, proprietorships or partnerships is under common control. The policy may provide that the term "employees" includes the individual proprietor or partners if the employer is an individual proprietorship or partnership. The policy may provide that the term "employees" includes retired employees and directors of a corporate employer. A policy issued to insure the employees of a public body may provide that the term "employees" includes elected or appointed officials.

[ 1981, c. 150, §3 (RPR) . ]

2. The premium for the policy shall be paid either from the employer's funds or from funds contributed by the insured employees, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, except those who reject that coverage in writing.

[ 1981, c. 150, §3 (RPR) .]

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

[ 1981, c. 150, §3 (RPR) .]

4.

[ 1981, c. 150, §3 (RP) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §3 (RPR).

## 24-A §2604. DEBTOR GROUPS

*(REPEALED)*

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 177, §41 (AMD). 1977, c. 672, §1 (AMD). 1979, c. 369, (AMD). 1979, c. 667, §2 (AMD). 1981, c. 150, §4 (RP).

## 24-A §2604-A. DEBTOR GROUPS

The lives of a group of individuals may be insured under a policy issued to a creditor or its parent holding company or to a trustee or trustees or agent designated by 2 or more creditors, which creditor, holding company, affiliate, trustee, trustees or agent is considered the policyholder, to insure debtors of the creditor, or creditors, subject to the following requirements. [1981, c. 175, §2 (NEW) .]

1. The debtors eligible for insurance under the policy are all of the debtors of the creditor or creditors, or all of any class or classes thereof. The policy may provide that the term "debtors" includes:

A. Borrowers of money or purchasers or lessees of goods, services or property for which payment is arranged through a credit transaction; [1981, c. 175, §2 (NEW) .]

B. The debtors of one or more subsidiary corporations; and [1981, c. 175, §2 (NEW) .]

C. The debtors of one or more affiliated corporations, proprietorships or partnerships if the business of the policyholder and of the affiliated corporations, proprietorships or partnerships is under common control. [1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

2. The premium for the policy shall be paid either from the creditor's funds, or from charges collected from the insured debtors, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by insured debtors specifically for their insurance must insure all eligible debtors.

[ 1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

3. An insurer may exclude any debtors as to whom evidence of insurability is not satisfactory to the insurer.

[ 1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

4. The amount of credit life insurance shall at no time exceed the unpaid amount financed plus earned interest and an allowance for delinquencies as determined by the superintendent or, in the case of open-end credit, the balance upon which a finance charge may be imposed plus earned interest and an allowance for delinquencies as determined by the superintendent. Where the indebtedness is repayable in one sum to the creditor, the insurance on the life of any debtor shall in no instance be in effect for a period in excess of 18 months, except that such insurance may be continued for an additional period not exceeding 6 months in the case of default, extension or recasting of the loan.

[ 1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

5. The insurance may be payable to the creditor or any successor to the right, title and interest of the creditor. The payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of the payment.

[ 1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

6. Notwithstanding the provisions of this section, insurance on agricultural credit transaction commitments may be written up to the amount of the loan commitment on a nondecreasing or level term plan. Insurance on educational credit transaction commitments may be written up to the amount of the loan commitment less the amount of any repayments made on the loan.

[ 1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

7. Notwithstanding subsection 1, in the case of a group policy issued pursuant to this section which provides life insurance on the term plan upon the lives of persons indebted to a creditor, where the indebtedness is secured to the creditor by a mortgage on real estate, where the insurance is afforded on an optional basis and where a separate charge is made to the debtor by the creditor for the insurance, both the debtor and not more than one comaker of the indebtedness are eligible to apply for insurance jointly under the group policy, provided that both of them are individually and jointly liable to repay the indebtedness. This subsection may not be held to restrict the right of an insurer to require satisfactory evidence of insurability of any person requesting the insurance, nor to preclude those exclusions from eligibility for insurance under such a group policy as may be contained therein. Nothing in this subsection may prohibit insurance on the life of one debtor only, if desired by the debtor.

[ 1981, c. 150, §5 (NEW); 1981, c. 175, §2 (NEW) .]

#### SECTION HISTORY

1981, c. 150, §5 (NEW). 1981, c. 175, §2 (NEW).

## **24-A §2605. LABOR UNION GROUPS**

*(REPEALED)*

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §6 (RP).

## 24-A §2605-A. LABOR UNION GROUPS

The lives of a group of individuals may be insured under a policy issued to a labor union, or similar employee organization, which is considered to be the policyholder, to insure members of that union or organization for the benefit of persons other than the union or organization or any of its officials, representatives or agents, subject to the following requirements. [1981, c. 150, §7 (NEW).]

1. The members eligible for insurance under the policy are all of the members of the union or organization, or all of any class or classes thereof.

[ 1981, c. 150, §7 (NEW) .]

2. The premium for the policy shall be paid either from funds of the union or organization, or from funds contributed by the insured members specifically for their insurance, or from both. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, except those who reject that coverage in writing.

[ 1981, c. 150, §7 (NEW) .]

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

[ 1981, c. 150, §7 (NEW) .]

### SECTION HISTORY

1981, c. 150, §7 (NEW).

## 24-A §2606. TRUSTEE GROUPS

*(REPEALED)*

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §6 (RP).

## 24-A §2606-A. TRUSTEE GROUPS

The lives of a group of individuals may be insured under a policy issued to a trust or to the trustee or trustees of a fund established by 2 or more employers, or by one or more labor unions or similar employee organizations, or by one or more employers and one or more labor unions or similar employee organizations, which trust or trustees are considered the policyholder, to insure employees of the employers or members of the unions or organizations for the benefit of persons other than the employers or the unions or organizations, subject to the following requirements. [1981, c. 150, §7 (NEW).]

1. The persons eligible for insurance are all of the employees of the employers or all of the members of the unions or organizations, or all of any class or classes thereof. The policy may provide that the term "employees" includes retired employees, the individual proprietor or partners if an employer is an individual proprietorship or a partnership, and directors of a corporate employer. The policy may provide that the term "employees" includes the trustees or their employees, or both, if their duties are principally connected with that trusteeship.

[ 1981, c. 150, §7 (NEW) .]

2. The premium for the policy shall be paid from funds contributed by the employer or employers of the insured persons or by the union or unions or similar employee organizations, or by both, or from funds contributed by the insured persons or from both the insured persons and the employer or union or similar

employee organization. Except as provided in subsection 3, a policy on which no part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance must insure all eligible persons, except those who reject that coverage in writing.

[ 1981, c. 150, §7 (NEW) .]

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

[ 1981, c. 150, §7 (NEW) .]

#### SECTION HISTORY

1981, c. 150, §7 (NEW).

### **24-A §2607. TRADE ASSOCIATION GROUPS**

*(REPEALED)*

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1977, c. 655, §1 (AMD). 1977, c. 696, §372 (AMD). 1981, c. 150, §8 (RP).

### **24-A §2607-A. ASSOCIATION GROUPS**

The lives of a group of individuals may be insured under a policy issued to an association or to a trust or to the trustee or trustees of a fund established, created or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum of 50 persons; shall have been organized and maintained in good faith for purposes other than that of obtaining insurance; shall have been in active existence for at least 2 years; and shall have a constitution and bylaws which provides that: The association or associations hold regular meetings not less than annually to further purposes of the members; except for credit unions, the association or associations collect dues or solicit contributions from members; and the members have voting privileges and representation on the governing board and committees. The policy is subject to the following requirements. [1981, c. 150, §9 (NEW) .]

1. The policy may insure members of the association or associations, employees thereof or employees of members, or one or more of the preceding or all of any class or classes thereof for the benefit of persons other than the employees' employer.

[ 1981, c. 150, §9 (NEW) .]

2. The premium for the policy shall be paid from funds contributed by the association or associations or by employer members, or by both, or from funds contributed by the covered persons or from both the covered persons and the association, associations or employer members.

[ 1981, c. 150, §9 (NEW) .]

3. Except as provided in subsection 4, a policy on which no part of the premium is to be derived from funds contributed by the covered persons specifically for their insurance must insure all eligible persons, except those who reject that coverage in writing.

[ 1981, c. 150, §9 (NEW) .]

4. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

[ 1981, c. 150, §9 (NEW) .]

SECTION HISTORY

1981, c. 150, §9 (NEW).

**24-A §2608. MUNICIPAL EMPLOYEES ASSOCIATION GROUPS**

*(REPEALED)*

SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §10 (RP).

**24-A §2609. PROFESSIONAL ASSOCIATION GROUPS**

*(REPEALED)*

SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 177, §42 (AMD). 1981, c. 150, §11 (RP).

**24-A §2610. CREDIT UNION GROUPS**

*(REPEALED)*

SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §12 (RP).

**24-A §2610-A. CREDIT UNION GROUPS**

The lives of a group of individuals may be insured under a policy issued to a credit union or to a trustee or trustees or agent designated by 2 or more credit unions, which credit union, trustee, trustees or agent is considered the policyholder, to insure members of the credit union or credit unions for the benefit of persons other than the credit union or credit unions, trustee or trustees or agent or any of their officials, subject to the following requirements. [1981, c. 150, §13 (NEW).]

1. The members eligible for insurance are all of the members of the credit union or credit unions or all of any class or classes thereof.

[ 1981, c. 150, §13 (NEW) .]

2. The premium for the policy shall be paid by the policyholder from the credit union's funds and, except as provided in subsection 3, must insure all eligible members.

[ 1981, c. 150, §13 (NEW) .]

3. An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer.

[ 1981, c. 150, §13 (NEW) .]

SECTION HISTORY

1981, c. 150, §13 (NEW).

**24-A §2611. DEPENDENTS' COVERAGE***(REPEALED)*

## SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 433, §62 (AMD). 1971, c. 598, §50 (AMD). 1973, c. 125, (AMD). 1975, c. 203, (AMD). 1979, c. 102, (AMD). 1981, c. 150, §14 (RP).

**24-A §2611-A. DEPENDENT'S COVERAGE**

Except for a policy issued under section 2604-A, a group life insurance policy may insure the lives of spouses and dependent children of employees or members against loss due to death without also insuring employees or members against loss due to the death of their spouses and dependent children, or any class or classes thereof, subject to the following. [1993, c. 132, §1 (AMD).]

1. The premium for the insurance must be paid either from funds contributed by the employer, union, association or other person to whom the policy has been issued or from funds contributed by employees or members, or from both. Except as provided in subsection 2, a policy on which no part of the premium for the spouse's and dependent child's coverage is to be derived from funds contributed by employees or members, spouses or dependent children must insure all eligible employees or members with respect to their spouses and dependent children, or all eligible spouses and dependent children, or any class or classes thereof.

[ 1993, c. 132, §1 (AMD) .]

2. An insurer may exclude or limit the coverage on any spouse or dependent child as to whom evidence of individual insurability is not satisfactory to the insurer.

[ 1981, c. 150, §15 (NEW) .]

3.

[ 1993, c. 132, §1 (RP) .]

## SECTION HISTORY

1981, c. 150, §15 (NEW). 1993, c. 132, §1 (AMD).

**24-A §2612. LIMIT AS TO AMOUNT OF INSURANCE***(REPEALED)*

## SECTION HISTORY

1969, c. 132, §1 (NEW). 1975, c. 202, (AMD). 1977, c. 95, (RP).

**24-A §2612-A. OTHER GROUPS**

Group life insurance offered to a resident of this State under a group life insurance policy issued to a group other than one described in sections 2602-A to 2610-A is subject to the following requirements. [1981, c. 150, §16 (NEW).]

1. No group life insurance policy may be delivered in this State, pursuant to this section, unless the superintendent finds that:

A. The policyholder is a bona fide group formed for purposes other than the procurement of insurance; [1987, c. 476, §2 (AMD).]

B. The issuance of the group policy would be actuarially sound; [1981, c. 150, §16 (NEW).]

C. The issuance of the group policy would result in economies of acquisition or administration; and [1987, c. 476, §2 (AMD).]

D. The benefits are reasonable in relation to the premiums charged. [1981, c. 150, §16 (NEW).]

[ 1987, c. 476, §2 (AMD) .]

2. No group life insurance coverage may be offered in this State, pursuant to this section, by an insurer under a policy issued in another state, unless the superintendent has made a determination that the requirements of subsection 1, paragraphs A, B, C and D have been met.

[ 1987, c. 476, §3 (RPR) .]

2-A. Notwithstanding subsections 1 and 2, an employee leasing company registered pursuant to Title 32, chapter 125 qualifies as an eligible group for purposes of the purchase of group life insurance as provided in this section.

[ 1995, c. 618, §2 (NEW) .]

3. The premium for the policy shall be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both.

[ 1981, c. 150, §16 (NEW) .]

4. An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

[ 1981, c. 150, §16 (NEW) .]

#### SECTION HISTORY

1981, c. 150, §16 (NEW). 1987, c. 476, §§2,3 (AMD). 1995, c. 618, §2 (AMD).

### **24-A §2613. PROVISIONS REQUIRED IN GROUP CONTRACTS**

No policy of group life insurance may be delivered in this State unless it contains in substance the provisions set forth in this section and sections 2614 to 2628, or provisions which in the opinion of the superintendent are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder, provided: [1981, c. 150, §17 (RPR).]

1. That sections 2619 to 2623 and section 2628 do not apply to policies insuring the lives of debtors;

[ 1981, c. 150, §17 (RPR) .]

2. That the standard provisions required for individual life insurance policies do not apply to group life insurance policies; and

[ 1981, c. 150, §17 (RPR) .]

3. That if the group life insurance policy is on a plan of insurance other than the term plan, it contains a nonforfeiture provision or provisions which in the opinion of the superintendent is or are equitable to the insured persons and to the policyholder, but nothing herein may be construed to require that group life insurance policies contain the same nonforfeiture provisions as are required for individual life insurance policies.

[ 1981, c. 150, §17 (RPR) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 177, §43 (AMD). 1973, c. 585, §12 (AMD). 1981, c. 150, §17 (RPR).

### **24-A §2614. GRACE PERIOD**

The group life insurance policy shall contain a provision that the policyholder is entitled to a grace period of 31 days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period. [1969, c. 132, §1 (NEW).]

#### SECTION HISTORY

1969, c. 132, §1 (NEW).

### **24-A §2615. INCONTESTABILITY**

1. The group life insurance policy shall contain a provision that the validity of the policy shall not be contested, except for nonpayment of premium, after it has been in force for 2 years from its date of issue; and that no statement made by any person insured under the policy relating to his insurability may be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of 2 years during such person's lifetime nor unless it is contained in a written instrument signed by him; provided, that no such provision may preclude the assertion at any time of defenses based upon provisions in the policy which relate to eligibility for coverage.

[ 1981, c. 150, §18 (AMD) .]

2.

[ 1981, c. 150, §19 (RP) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §§18,19 (AMD).

### **24-A §2616. APPLICATION; STATEMENTS DEEMED REPRESENTATIONS**

The group life insurance policy shall contain a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued, that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties and that no statement made by any person insured shall be used in any contest, unless a copy of the instrument containing the statement is or has been furnished to such person or, in the event of death or incapacity of the insured person, to his beneficiary or personal representative. [1981, c. 150, §20 (AMD).]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §20 (AMD).

## 24-A §2617. INSURABILITY

The group life insurance policy shall contain a provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage. [1969, c. 132, §1 (NEW).]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## 24-A §2618. MISSTATEMENT OF AGE

The group life insurance policy shall contain a provision specifying an equitable adjustment of premiums or of benefits or both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used. [1969, c. 132, §1 (NEW).]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## 24-A §2619. PAYMENT OF BENEFITS

The group life insurance policy shall contain a provision that any sum becoming due by reason of the death of the person insured shall be payable to the beneficiary designated by the person insured, except that where the policy contains conditions pertaining to family status the beneficiary may be the family member specified by the policy terms, subject to the provisions of the policy, in the event there is no designated beneficiary, as to all or any part of such sum, living at the death of the person insured, and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding \$2,000 to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the person insured. [1981, c. 150, §21 (AMD).]

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §21 (AMD).

## 24-A §2620. INFORMATION AS TO INSURANCE

The group life insurance policy shall contain a provision that the insurer will issue to the policyholder for delivery to each person insured printed information as to the insurance protection to which he is entitled and the rights and conditions set forth in section 2621, 2622, 2623 and 2628. The insurer shall also provide for distribution by the policyholder to each member of the insured group a statement setting forth to whom the benefits under such policy are payable. [1981, c. 150, §22 (AMD).]

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1975, c. 183, §1 (AMD). 1981, c. 150, §22 (AMD).

## 24-A §2621. CONVERSION ON TERMINATION OF ELIGIBILITY

There shall be a provision that if the insurance, or any portion of it, on a person covered under the policy or on the dependent of a person covered, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such person shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within 31 days after such termination, and provided further that: [1981, c. 150, §23 (AMD).]

1. The individual policy shall, at the option of such person, be on any one of the forms then customarily issued by the insurer at the age and for the amount applied for, except that the group policy may exclude the option to elect term insurance;

[ 1981, c. 150, §24 (AMD) .]

2. The individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination less the amount of any life insurance for which such person is or becomes eligible under the same or any other group policy within 31 days after such termination; provided, that any amount of insurance which shall have matured on or before the date of such termination as an endowment payable to the person insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

[ 1969, c. 132, §1 (NEW) .]

3. The premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to his age attained on the effective date of the individual policy.

[ 1969, c. 132, §1 (NEW) .]

Subject to the same conditions set forth in this section, the conversion privilege shall be available: To a surviving dependent, if any, at the death of the employee or member, with respect to the coverage under the group policy which terminates by reason of the death; and to the dependent of the employee or member upon termination of coverage of the dependent, while the employee or member remains insured under the group policy, by reason of the dependent ceasing to be a qualified family member under the group policy. [1981, c. 150, §25 (NEW).]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §§23-25 (AMD).

## 24-A §2622. CONVERSION ON TERMINATION OF POLICY

The group life insurance policy shall contain a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured persons, every person insured thereunder at the date of such termination whose insurance terminates, including the insured dependent of a covered person, and who has been so insured for at least 5 years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by section 2621, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of: [1981, c. 150, §26 (AMD).]

1. The amount of the person's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under a group policy issued or reinstated by the same or another insurer within 31 days after such termination, and

[ 1981, c. 150, §26 (AMD) .]

2. \$10,000.

[ 1981, c. 150, §26 (AMD) .]

#### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §26 (AMD).

## 24-A §2623. DEATH PENDING CONVERSION

The group life insurance policy shall contain a provision that if a person insured under the policy, or the insured dependent of a covered person, dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with sections 2621 or 2622 and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

[1981, c. 150, §27 (AMD).]

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §27 (AMD).

## 24-A §2624. INFORMATION TO DEBTOR

In the case of a policy insuring the lives of debtors, a provision that the insurer will furnish to the policyholder for delivery to each debtor insured under the policy a certificate of insurance describing the coverage and specifying that the death benefit shall first be applied to reduce or extinguish the indebtedness.

[1981, c. 150, §28 (RPR).]

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1981, c. 150, §28 (RPR).

## 24-A §2625. NOTICE AS TO CONVERSION RIGHT

If any individual insured under a group life insurance policy hereafter delivered in this State becomes entitled under the terms of such policy to have an individual policy of life insurance issued to him without evidence of insurability, subject to making of application and payment of the first premium within the period specified in such policy, and if such individual is not given notice of the existence of such right at least 15 days prior to the expiration date of such period, then, in such event the individual shall have an additional period within which to exercise such right, but nothing herein contained shall be construed to continue any insurance beyond the period provided in such policy. This additional period shall expire 15 days next after the individual is given such notice but in no event shall such additional period extend beyond 60 days next after the expiration date of the period provided in such policy. Written notice presented to the individual or mailed by the policyholder to the last known address of the individual or mailed by the insurer to the last known address of the individual as furnished by the policyholder shall constitute notice for the purpose of this section. [1969, c. 132, §1 (NEW).]

### SECTION HISTORY

1969, c. 132, §1 (NEW).

## 24-A §2626. RATE OF PREMIUMS

*(REPEALED)*

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 177, §44 (AMD). 1973, c. 585, §12 (AMD). 1975, c. 196, (RP).

## 24-A §2627. APPLICATION OF DIVIDENDS, RATE REDUCTIONS

*(REPEALED)*

### SECTION HISTORY

1969, c. 132, §1 (NEW). 1969, c. 177, §45 (AMD). 1991, c. 200, §D1 (RP).

## 24-A §2627-A. DIVIDENDS AND EXPERIENCE REFUNDS

The following requirements apply to all group life insurance with the exception of insurance in which the policyholder is subject to the fiduciary standards of the federal Employee Retirement Income Security Act of 1974, ERISA, 29 United States Code, Section 1001-1381 (1975). [1991, c. 200, Pt. D, §2 (NEW) .]

**1. Refunds.** The amount by which any dividend, experience refund or rate reduction exceeds the amount of premium contributed by the group policyholder for the same period must be refunded to the employees, members or debtors in proportion to their premium contributions for that period, except as provided in subsection 2.

[ 1991, c. 200, Pt. D, §2 (NEW) .]

**2. Refund amounts less than \$25 per employee, member or debtor.** If the refunds required by subsection 1 would average less than \$25 per employee, member or debtor, then the group policyholder may request approval from the superintendent to apply those amounts in a different manner. The superintendent shall approve the request if, in the superintendent's opinion, the manner of application proposed would be for the sole benefit of insured employees, members or debtors.

[ 1991, c. 200, Pt. D, §2 (NEW) .]

### SECTION HISTORY

1991, c. 200, §D2 (NEW) .

## 24-A §2628. TOTAL DISABILITY

Where active employment is a condition of insurance, the group life insurance policy shall contain a provision that an insured may continue coverage during the insured's total disability by timely payment to the policyholder of that portion, if any, of the premium that would have been required from the insured had total disability not occurred. The continuation shall be on a premium paying basis for a period of 6 months from the date on which the total disability started, but not beyond the earlier of: [1981, c. 150, §29 (NEW) .]

**1.** Approval by the insurer of continuation of the coverage under any disability provision which the group insurance policy may contain; or

[ 1981, c. 150, §29 (NEW) .]

**2.** The discontinuance of the group insurance policy.

[ 1981, c. 150, §29 (NEW) .]

### SECTION HISTORY

1981, c. 150, §29 (NEW) .

## 24-A §2629. ACQUIRED IMMUNE DEFICIENCY SYNDROME

No group life insurance policy delivered or issued for delivery in this State may provide more restrictive coverage for death resulting from Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or HIV related diseases than the death resulting from any other disease or sickness or exclude coverage for death resulting from AIDS, ARC or HIV related diseases except through an exclusion under

which deaths resulting from all sicknesses and diseases are treated the same or as provided by section 2159, subsection 4. This section shall not apply to death by accident or accidental means. [1989, c. 176, §4 (NEW).]

SECTION HISTORY

1989, c. 176, §4 (NEW).

## **24-A §2630. SUICIDE**

A group life insurance policy delivered or issued for delivery in this State may not contain a more restrictive exclusion from liability for death resulting from suicide than death by suicide, while sane or insane, within 2 years from the date coverage commences or within 2 years of an increase in coverage. [2001, c. 89, §3 (NEW).]

SECTION HISTORY

2001, c. 89, §3 (NEW).

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