

§2849-A. Extension of benefits for disabled persons

1. Policies subject to this section. This section applies to group and blanket policies that provide hospital or medical expense coverage or specific indemnity during hospital confinement. This section does not apply to group policies providing coverage only for dental expense or to group long-term care policies as defined in section 5051 or group short-term and long-term disability policies.

[PL 1999, c. 256, Pt. L, §5 (AMD).]

2. Requirement. Every group or blanket policy subject to this section must provide a reasonable extension of benefits for a person who is totally disabled on the date the group or blanket policy is discontinued, or on the date coverage for a subgroup in the policy is discontinued. A premium may not be charged during the period of extension. For a policy providing hospital or medical expense coverage, an extension of benefits provision is reasonable if it provides benefits for covered expenses directly relating to the condition causing total disability for at least 6 months following the effective date of discontinuance. For a policy providing specific indemnity during hospital confinement, "extension of benefits" means that discontinuance of the policy during a disability has no effect on benefits payable for that confinement.

[PL 2007, c. 199, Pt. D, §2 (AMD).]

3. Description of benefit extension. The extension of benefits provision must be described in all policies and group certificates. The benefits payable during any period of extension are subject to the regular benefit limits under the policy.

[PL 1989, c. 867, §8 (NEW); PL 1989, c. 867, §10 (AFF).]

4. Liability after discontinuance. After discontinuance of a policy, the insurer or health maintenance organization remains liable only to the extent of its accrued liabilities and extensions of benefits.

[PL 1997, c. 604, Pt. H, §1 (AMD).]

4-A. Coordination of benefits. If replacement coverage is secured by the group or blanket policyholder from an insurer, nonprofit hospital or medical service organization or health maintenance organization and a totally disabled person is covered under the replacement coverage, the replacement coverage must pay as primary coverage and the replaced coverage must pay as secondary coverage for the covered expenses directly relating to the condition causing total disability during the extension of benefits required under this section.

[PL 2007, c. 199, Pt. D, §3 (AMD).]

5. Rules. The superintendent shall adopt rules to define the term "total disability" for purposes of this section. The definition must identify persons who are unable, as a result of disability, to obtain comparable alternative coverage through comparable employment or otherwise.

[PL 1989, c. 867, §8 (NEW); PL 1989, c. 867, §10 (AFF).]

SECTION HISTORY

PL 1989, c. 867, §§8,10 (NEW). PL 1991, c. 695, §8 (AMD). PL 1997, c. 604, §§H1,2 (AMD). PL 1999, c. 256, §§L5,6 (AMD). PL 2007, c. 199, Pt. D, §§2, 3 (AMD).

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