

§5005. Disclosure standards

1. Delivery of outline of coverage. In order to provide for full and fair disclosure in the sale of Medicare supplement policies, no Medicare supplement policy or certificate may be delivered in this State, unless an outline of coverage is delivered to the applicant at the time application is made. [PL 1991, c. 740, §7 (AMD).]

2. Format; content or outline. The superintendent shall prescribe the format and content of the outline of coverage required by subsection 1. For purposes of this section, "format" means style, arrangements and overall appearance, including such items as the size, color and prominence of type and the arrangement of text and captions. The outline of coverage must include:

A. A description of the principal benefits and coverage provided in the policy; [PL 1981, c. 234, §4 (NEW).]

B. [PL 1991, c. 740, §7 (RP).]

C. A statement of the renewal provisions, including any reservation by the issuer of a right to change premiums; and disclosure of the existence of any automatic renewal premium increases based on the policyholder's age; and [PL 1991, c. 740, §7 (AMD).]

D. A statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions. [PL 1981, c. 234, §4 (NEW).]

[PL 1991, c. 740, §7 (AMD).]

3. Standard form; contents of informational brochure. The superintendent may prescribe by rule a standard form and the contents of an informational brochure for persons eligible for Medicare, which is intended to improve the buyer's ability to select the most appropriate coverage and improve the buyer's understanding of Medicare. Except in the case of direct response insurance policies, the superintendent may require by regulation that the informational brochure be provided to any prospective insureds eligible for Medicare concurrently with the delivery of the outline of coverage. With respect to direct response insurance policies, the superintendent may require by rule that the prescribed brochure be provided upon request to any prospective insureds eligible for Medicare, but in no event later than the time of policy delivery.

[PL 1991, c. 740, §7 (AMD).]

3-A. Captions or notice requirements. The superintendent may adopt rules for captions or notice requirements determined to be in the public interest and designed to inform the prospective insureds that particular insurance coverages are not Medicare supplement coverages for all accident and sickness insurance policies sold to persons eligible for Medicare other than:

A. Medicare supplement policies; or [PL 1995, c. 332, Pt. E, §3 (AMD).]

B. Disability income policies. [PL 1995, c. 332, Pt. E, §3 (AMD).]

C. [PL 1995, c. 332, Pt. E, §3 (RP).]

D. [PL 1995, c. 332, Pt. E, §3 (RP).]

[PL 1995, c. 332, Pt. E, §3 (AMD).]

3-B. Application forms; health statements. Additional disclosure is required in applications or enrollment forms employed on or after January 1, 1993.

A. An issuer including health status questions in an application or enrollment form employed during an applicant's open enrollment period shall disclose that coverage in any plan offered by the issuer is guaranteed to be issued and will be provided without regard to health status. [PL 1991, c. 740, §7 (NEW).]

B. An issuer including health status questions in an application or enrollment form shall disclose to applicants enrolling after their open enrollment period, including applicants replacing coverage, that enrollment in standard Medicare Supplement Plan A is guaranteed to be issued during the annual guaranteed issue period and will be provided without regard to health status. [PL 1991, c. 740, §7 (NEW).]

C. Enrollment or application forms employed to effect the replacement of coverage provided by section 5010 must disclose that:

(1) For all persons, coverage in the standardized Medicare supplement plans that do not contain an outpatient prescription drug benefit is guaranteed to be issued and will be provided without regard to health status and without preexisting conditions exclusions, waiting periods, elimination periods or probationary periods for similar benefits to the extent time was spent under prior coverage; and

(2) For persons with existing prescription drug coverage, coverage in the standardized Medicare supplement plans that do not contain an outpatient prescription drug benefit greater than that provided by the plan that is in force is guaranteed to be issued and will be provided without regard to health status and without preexisting conditions exclusions, waiting periods, elimination periods or probationary periods for similar benefits to the extent time was spent under prior coverage. [PL 1991, c. 740, §7 (NEW).]

D. [PL 2001, c. 258, Pt. F, §3 (RP).]
[PL 2001, c. 258, Pt. F, §3 (AMD).]

4. Rules. The superintendent may adopt reasonable rules to govern the full and fair disclosure of information in connection with the replacement of accident and sickness policies, subscriber contracts or certificates by persons eligible for Medicare.

[PL 1991, c. 740, §7 (AMD).]

SECTION HISTORY

PL 1981, c. 234, §4 (NEW). PL 1991, c. 740, §7 (AMD). PL 1995, c. 332, §E3 (AMD). PL 2001, c. 258, §F3 (AMD).

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