

Chapter 375 **GROUP PROPERTY AND CASUALTY INSURANCE**

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Section 1. Authority and Purpose

This Rule is adopted pursuant to 24-A M.R.S.A. §§ 212 and 2953 to designate the types of insurance that may be issued on a group basis in this State and to establish specific requirements and procedures for group property and casualty policies, certificates of coverage, and rates.

Section 2. Definitions

1. **“Certificate”** means any contract or other evidence of insurance, or rider or endorsement thereto, issued to a group member under a group policy.
2. **“Group policy”** means a policy issued on a collective basis, insuring the interests of two or more persons or entities, under which coverage is purchased separately for each group member for that member’s risks, but does not include the certificates.
3. **“Property and casualty insurance”** means any type, or combination of types, of insurance authorized by 24-A M.R.S.A. §§ 705 and 707, and any type of insurance that the Superintendent determines to be substantially similar.

Section 3. Designated Types of Insurance

The following types of property and casualty insurance are eligible for writing on a group basis under policies or certificates issued in Maine or covering risks in Maine:

1. **Credit Involuntary Unemployment Insurance** covering the risk of a debtor’s involuntary unemployment and issued in connection with a loan or other consumer credit transaction in compliance with the Maine Consumer Credit Insurance Act, 24-A M.R.S.A. §§ 2851 *et seq.*
2. **Risk Purchasing Group Coverage** qualifying as an eligible type of liability insurance and issued to a risk purchasing group in compliance with the Maine

Liability Risk Retention Act, 24-A M.R.S.A. §§ 6091 *et seq.*

3. **Travel Insurance** covering financial loss from trip cancellation or interruption, lost or damaged baggage, trip or baggage delays, missed connections and/or changes in itinerary, and casualty losses due to rental vehicle damage.
4. **Identity Theft Insurance** covering loss resulting from the unauthorized acquisition of personally identifying information.
5. **Portable Electronic Device Insurance** as defined in 24-A M.R.S.A. § 7001(6).
6. **Tuition Reimbursement Insurance** covering liability for tuition and fees following failure to matriculate at or withdrawal from school or college because of an illness, accidental injury, death, job loss, or closure of an educational institution.
7. **Group Personal Excess Liability Insurance** providing additional limits of coverage to members of a group under their personal automobile, homeowners, or watercraft insurance policies and/or providing liability coverages not covered in a member's underlying personal insurance policies, such as liability arising from the member's unpaid service on the board of directors of a not-for-profit organization.
8. **Self-Storage Unit Insurance** providing personal property coverage to lessees of self-storage units.

Section 4. Terms of Coverage

1. A group policy must provide insured group members with terms of coverage that are no less favorable to the insured than would be required for comparable nongroup policies, at rates that are neither inadequate, excessive, nor unfairly discriminatory.
2. No group policy or certificate shall contain any deductible or self-insured retention shared among group members or applicable to the group itself, and a certificate under a group policy may only provide for a deductible or self-insured retention if it is applicable to the group member strictly on an individual basis.
3. No group policy or certificate shall be subject to any group or sub-group aggregate liability limit. Any liability limit applicable to a group member shall:
 - (A) be separate and apart from any liability limit to which any other group member insured under the group policy may be subject; and
 - (B) operate unaffected by the experience of any other group member or the overall experience of the group itself.

Section 5. Certificate of Coverage

Each insured group member must receive a certificate of coverage, on a form acceptable to and approved by the Superintendent, that contains all material terms and conditions of coverage affecting the group member. If a certificate of coverage incorporates the group policy by reference, the insurer shall either attach a copy of the group policy to the

certificate or notify the group member that a copy of the group policy is available on request. The insurer may comply with this Section by directing all group members to the insurer's publicly accessible web site where a complete sample of the terms and conditions of the group policy may be viewed and downloaded.

Section 6. Termination of Coverage

An insurer may not cancel or nonrenew a group policy or coverage of group members under a group policy except in accordance with 24-A M.R.S.A. §§ 2952 or 7006.

Section 7. Severability

If any section or provision of this Rule is adjudged invalid for any reason, the judgment shall not impair or invalidate any other section or provision of the Rule, and the remaining sections or provisions shall remain in full force and effect.

Section 8. Effective date

The effective date of this Rule is May 19, 2014.