

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

## SECOND REGULAR SESSION - 1990

Legislative Document

No. 2260

H.P. 1633

House of Representatives, January 31, 1990

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

EDWIN H. PERT, Clerk

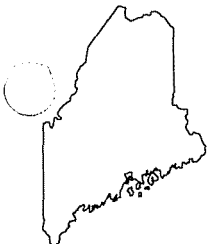
Presented by Representative BURKE of Vassalboro.

Cosponsored by Senator BUSTIN of Kennebec, Representative RYDELL of Brunswick and Representative DONALD of Buxton.

### STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY

#### An Act Requiring the Reinstatement of Health Insurance for Persons with Organic Brain Disease.



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

24-A MRSA §2708, as enacted by PL 1969, c. 132, §1, is amended to read:

**§2708. Reinstatement**

1. There shall be a provision as follows:

Reinstatement: If any a renewal premium be is not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith with it an application for reinstatement, shall reinstate the policy, provided, ~~however,~~ that, if the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such the application by the insurer or, lacking such approval, upon the 45th day following the date of such that conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. The reinstated policy shall may cover only loss resulting from such accidental injury as ~~may be~~ sustained after the date of reinstatement and loss due to such sickness as ~~may begin~~ that begins more than ten 10 days after such that date. In all other respects the insured and insurer shall have the same rights ~~thereunder~~ under reinstatement as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed herein or attached hereto in connection with the reinstatement. Any Except as provided in subsection 3, any premium accepted in connection with a reinstatement shall must be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement.

2. The last sentence of the above provision may be omitted from any policy which that the insured has the right to continue in force subject to its terms by the timely payment of premiums:

A. Until at least age 50, ~~or~~

B. In the case of a policy issued after age 44, for at least 5 years from its date of issue.

3. There shall be a provision as follows:

Reinstatement after lapse due to organic brain disease: If the policy lapses because a renewal premium is not paid within the time granted the insured for payment and the insured was suffering from an organic brain disease within that time, the policy will be reinstated under the following conditions.

2 A. The application for reinstatement and payment for all  
3 premiums due must be submitted to the insurer, or any agent  
4 duly authorized by the insurer, within 18 months of the  
5 renewal date.

6 B. The insured must submit an affidavit to the insurer, or  
7 any agent duly authorized by the insurer, from a qualified  
8 medical authority stating that the insured was suffering  
9 from Alzheimer's disease or other organic brain disease  
10 within the time granted the insured for payment of the  
11 premium such that the insured could reasonably be expected  
12 to fail to remember to pay the premium.

13 C. The reinstatement of the policy is effective on the date  
14 when the policy lapsed.

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### STATEMENT OF FACT

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20 This bill requires health insurance companies to renew the  
21 insurance policy of any person whose policy has lapsed due to  
22 failure to pay premiums because of an organic brain disease, such  
23 as Alzheimer's disease, provided that the person must pay any  
24 back premiums and submit a medical affidavit. The insurance  
25 policy is reinstated retroactive to the date when it lapsed so  
26 the person suffers no loss of health insurance benefits.