

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 442

H.P. 321

House of Representatives, February 6, 1995

**An Act to Include Short-term Health Insurance Policies in the Continuity
Laws.**

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative CAMERON of Rumford.

Cosponsored by Representatives: CHICK of Lebanon, FISHER of Brewer.

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

2
4 **Sec. 1. 24 MRSA §2349, sub-§1**, as amended by PL 1993, c. 547, §2, is further amended to read:

6 **1. Contracts subject to this section.** This section applies
8 to all individual and group contracts issued by nonprofit
10 hospital or medical service organizations, except long-term care
12 contracts. For purposes of this section, a short-term contract is an individual, nonrenewable contract issued for a term that does not exceed 12 months.

14 **Sec. 2. 24 MRSA §2349, sub-§8** is enacted to read:

16 **8. Short-term insurance.** A person eligible for continuity of coverage under subsection 2 must be offered coverage under an individual short-term contract.

20 **Sec. 3. 24-A MRSA §2736-C, sub-§3, ¶B**, as amended by PL 1993, c. 645, Pt. A, §3, is further amended to read:

22 B. Renewal must be guaranteed to all individuals except:

24 (1) For nonpayment of the required premiums by the
26 policyholder or contract holder;

28 (2) For fraud or material misrepresentation by the
30 policyholder or contract holder;

32 (3) For fraud or material misrepresentation on the part
34 of the individual or the individual's representative;

36 (4) When the carrier ceases providing individual health
38 plans in compliance with subsection 4; or

40 (5) When the carrier ceases offering a product and
42 replaces it with a product that complies with the requirements of this section, including renewability, and the superintendent finds that replacement is in the best interest of the policyholders; or

44 (6) A short-term, nonrenewable policy may be issued for a term not exceeding 12 months. A short-term policy may not be issued to replace a prior short-term policy if the combined term of the new policy and all prior successive short-term policies would exceed 12 months.

