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.

OSEPH 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	Co. 1 24 MDCA 82240 cmb 81
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
	to all individual and group contracts issued by nonprofit
8	hospital or medical service organizations, except long-term care
	policies as defined in Title 24-A, section 5051, and short-term
10	contracts. For purposes of this section, a short-term contract
	is an individual, nonrenewable contract issued for a term that
12	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
18	individual short-term contract.
20	Sec. 3. 24-A MRSA §2736-C, sub-§3, ¶B, as amended by PL 1993,
20	c. 645, Pt. A, §3, is further amended to read:
22	c. 040, Ic. A, 30, Ib latellet amended to Icad.
22	B. Renewal must be guaranteed to all individuals except:
24	b. Renewal mast be guaranteed to all individuals except.
24	(1) For nonpayment of the required premiums by the
26	policyholder or contract holder;
20	policyholder of contract holder,
28	(2) For fraud or material misrepresentation by the
-0	policyholder or contract holder;
30	policyholder of conclude holder,
50	(3) For fraud or material misrepresentation on the part
32	of the individual or the individual's representative;
	or one realization of the realization of the realization of
34	(4) When the carrier ceases providing individual health
-	plans in compliance with subsection 4; er
36	I was
•	(5) When the carrier ceases offering a product and
38	replaces it with a product that complies with the
	requirements of this section, including renewability,
40	and the superintendent finds that replacement is in the
	best interest of the policyholders+; or
42	F
	(6) A short-term, nonrenewable policy may be issued
44	for a term not exceeding 12 months. A short-term
	policy may not be issued to replace a prior short-term
46	policy if the combined term of the new policy and all
	prior successive short-term policies would exceed 12
48	months.

	read:
4	
	1. Policies subject to this section. This section applies
6	to all individual and group medical insurance policies except
	hospital indemnity, specified accident, specified disease,
8	long-term care and, Medicare supplement and short-term policies
	issued by insurers or health maintenance organizations. For
10	purposes of this section, a short-term policy is an individual,

Sec. 4. 24-A MRSA §2849-B, sub-§1, as amended by PL 1993, c. 477, Pt. A, §8 and affected by Pt. F, §1, is further amended to

nonrenewable policy issued for a term that does not exceed 12 months.

Sec. 5. 24-A MRSA §2849-B, sub-§8 is enacted to read:

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

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STATEMENT OF FACT

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This bill requires insurance carriers to offer individual short-term health insurance policies and contracts to individuals who were covered under a group policy and are eligible for the continuity protections of the law. This bill exempts individual short-term health contracts and policies from the requirements relating to guaranteed renewal and continuity of coverage.