

MAINE STATE LEGISLATURE

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L.D. 1039

DATE: 5/10/95

(Filing No. H-231)

BANKING AND INSURANCE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1039, Bill, "An Act to Require Prior Notice of Cancellation of Group Health Insurance Policies"

Amend the bill by striking out all of the emergency preamble.

Further amend the bill by inserting after section 2 the following:

'Sec. 3. 24-A MRSA §4209, sub-§6 is enacted to read:

6. Notification of cancellation. A health maintenance organization must provide by first class mail at least 10 days' prior notification of cancellation for nonpayment of enrollment charges according to this section. The notice must include the date of cancellation of coverage and the time period for exercising contract conversion rights. Notification is not required when the insurer has received written notice from the group contract holder that replacement coverage has been obtained.

A. Notice must be mailed to the group contract holder or subgroup sponsor.

B. At the time of notification under paragraph A, notice must be mailed to the individual enrollee at:

(1) The last address provided by the group contract holder to the health maintenance organization; or

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COMMITTEE AMENDMENT "A" to H.P. 765, L.D. 1039

2 (2) The office of the subgroup sponsor, if any, or the
3 group contract holder.

4 C. Notice must be mailed to the Bureau of Insurance and to
5 the Bureau of Labor Standards.

8 **Sec. 4. Application.** The requirements of this Act apply to
9 all policies, contracts and certificates executed, delivered,
10 issued for delivery, continued or renewed in this State on or
11 after November 1, 1995. For purposes of this Act, all policies,
12 contracts and certificates are deemed to be renewed no later than
13 the next yearly anniversary of the policy, contract or
14 certificate date.'

16 Further amend the bill by striking out all of the emergency
17 clause.

18 Further amend the bill by inserting at the end before the
19 statement of fact the following:

22 **FISCAL NOTE**

24 This bill may increase the number of civil cases filed in
25 the court system. The additional workload and administrative
26 costs associated with the minimal number of new cases filed can
27 be absorbed within the budgeted resources of the Judicial
28 Department. The collection of additional filing fees and fines
29 may also increase General Fund revenue by minor amounts.'

32 **STATEMENT OF FACT**

34 This amendment removes the emergency preamble and the
35 emergency clause and applies the notification of cancellation
36 requirements to health maintenance organizations. The amendment
37 also provides an effective date of November 1, 1995 for these
38 changes in the notification requirements.

40 The amendment also adds a fiscal note to the bill.