

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 945

S.P. 311

In Senate, February 3, 1999

An Act to Require Individuals be Notified of Cancellation of Insurance Benefits.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MURRAY of Penobscot.
Cosponsored by Senator LaFOUNTAIN of York.

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

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Sec. 1. 24-A MRSA §2707-A, first ¶, as enacted by PL 1989, c. 835, §2, is amended to read:

The superintendent shall, ~~by January 1, 1991,~~ adopt rules to provide for notification of the insured person and another person, if designated by the insured, prior to cancellation of a health insurance policy for nonpayment of premiums, and to provide restrictions on cancellation when an insured person suffers from organic brain disease. By January 1, 2000, the superintendent shall amend the rule adopted pursuant to this section to clarify that notice must be provided to the insured person, regardless of whether another person is designated by the insured, prior to cancellation of a health insurance policy for nonpayment of premiums. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. 2. 24-A MRSA §2847-C, first ¶, as enacted by PL 1991, c. 695, §5 and c. 824, Pt. A, §51, is amended to read:

The superintendent shall, ~~by January 1, 1991,~~ adopt rules to provide for notification of the insured person and another person, if designated by the insured, prior to cancellation of a health insurance certificate for nonpayment of premiums, and to provide restrictions on cancellation when an insured person suffers from organic brain disease. By January 1, 2000, the superintendent shall amend the rule adopted pursuant to this section to clarify that notice must be provided to the insured person, regardless of whether another person is designated by the insured, prior to cancellation of a health insurance certificate for nonpayment of premiums. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

SUMMARY

This bill requires the Bureau of Insurance to adopt rules clarifying that individuals insured under an individual or group health insurance policy receive prior notice before cancellation of benefits for nonpayment of premiums regardless of whether another person has been designated by the insured to receive such notice.