

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 275

H.P. 238

House of Representatives, January 25, 2001

An Act to Create Purchasing Alliances of Small Businesses In Order to Purchase Health Insurance.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative BULL of Freeport.
Cosponsored by Senator RAND of Cumberland and
Representatives: COWGER of Hallowell, DAIGLE of Arundel, LaVERDIERE of Wilton,
SIMPSON of Auburn, WATERHOUSE of Bridgton.

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

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Sec. 1. 24-A MRSA §2807-B is enacted to read:

§2807-B. Small employer groups

A group of small employers may be insured under a policy issued to an association of small employers or to a trust or to the trustees of a fund established, created or maintained for the benefit of members of one or more associations of small employers. Notwithstanding any other provision of this Title, an association or association of small employers may be formed pursuant to this section for no other purpose than that of obtaining insurance. For purposes of this section, "small employer" means an employer with 100 or fewer employees. The policy is subject to the following requirements.

1. Authorization. The policy may insure members of the association or associations of small employers, employees thereof or employees of members or one or more of the preceding or all of any class or classes thereof for the benefit of persons other than the employees' employer.

2. Premiums. The premium for the policy must be paid from funds contributed by the association or associations or by small employer members, or by both, or from funds contributed by the covered persons or from both the covered persons and the association, associations or small employer members.

3. Eligibility. Except as provided in subsection 4, a policy on which no part of the premium is to be derived from funds contributed by the covered persons specifically for their insurance must insure all eligible persons, except those who reject that coverage in writing.

4 Exclusion or limitation. Except as provided in section 2736-C, section 2808-B and chapter 36, an insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

Sec. 2. 24-A MRSA §2808, first ¶, as repealed and replaced by PL 1981, c. 147, §8, is amended to read:

Group health insurance offered to a resident of this State under a group health insurance policy issued to a group other than one described in sections 2804 to 2807-A 2807-B is subject to the following requirements.

SUMMARY

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4 This bill allows small employers with 100 or fewer employees
to form an association for the purpose of obtaining health
insurance on an aggregate group basis.