

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 594

H.P. 466

House of Representatives, February 8, 2001

**An Act to Require Health Insurance Providers to Maintain Benefits
During the Contract Term.**

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative HATCH of Skowhegan.
Cosponsored by Senator EDMONDS of Cumberland and
Representatives: BRYANT of Dixfield, HUTTON of Bowdoinham, PATRICK of Rumford,
PINEAU of Jay.

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

4 **Sec. 1. 24-A MRSA §429** is enacted to read:

6 **§429. Maintain benefits**

8 If an insurer enters into a health insurance binder with an
10 employer and that employer is contractually obligated to provide
12 a health insurance benefit to an employee of that employer, the
14 insurer must provide the same benefit required by the contract to
16 that employee during the term of the contract unless the parties
18 to the contract agree to a change. For a violation of this
20 section the superintendent may levy a fine against the insurer up
22 to the amount of the annual premium for the binder and may levy a
24 sanction against the insurer as provided in section 417. An
26 aggrieved party may seek redress in Superior Court against the
insurer for damages incurred due to a violation of this section.

20 **SUMMARY**

22 This bill requires an insurer who enters into a health
24 insurance binder with an employer to provide any health benefit
26 to employees that the employer is contractually obliged to
provide to employees during the term of the contract or risk a
fine, suspension or revocation of the insurer's certificate of
authority and be sued in Superior Court by any aggrieved parties.