

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 905

S.P. 301

In Senate, February 20, 2003

An Act To Protect Employees if Their Employer Fails To Pay Premiums for Employer-sponsored Health Insurance

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator STANLEY of Penobscot.
Cosponsored by Representative CLARK of Millinocket and
Senator: HATCH of Somerset, Representatives: CLOUGH of Scarborough, DUNLAP of Old
Town.

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

4 **Sec. 1. 24-A MRSA §2809-A, sub-§1-A, ¶B,** as repealed and replaced by PL 1995, c. 625, Pt. A, §25, is repealed.

6 **Sec. 2. 24-A MRSA §2809-A, sub-§1-A, ¶B-1** is enacted to read:

8 B-1. At the time of notification under paragraph A, notice must be mailed to the certificate holder at the last address provided by the subgroup sponsor or the group policyholder to the insurer. The notice must also include information to the certificate holder about the availability of individual coverage as described in subsection 1-B.

14 **Sec. 3. 24-A MRSA §2809-A, sub-§1-B,** as enacted by PL 1997, c. 604, Pt. B, §3, is amended to read:

18 **1-B. Notification of availability of individual coverage.**
An insurer must provide forms to group policyholders and certificate holders as required in subsection 1-A for the purpose of informing terminating group members of their right to purchase any individual health plan available in this State. An adequate supply of forms must be provided to each group policyholder when the policy is issued and at least annually thereafter. The superintendent may prescribe the content of the form by routine technical rule pursuant to Title 5, chapter 375, subchapter ~~II~~-A 2-A. The form must include at least the following:

28 A. A statement that all state residents not eligible for Medicare have a right to purchase any individual health plan available in this State;

32 B. A statement that in order to avoid a gap in coverage, the individual should apply for individual coverage prior to termination of group coverage;

36 C. A statement that if more than 90 days pass between the time the group coverage ends and the time individual coverage begins, the individual coverage may exclude preexisting conditions for one year; and

40 D. A statement that information concerning individual coverage is available from the Bureau of Insurance. The bureau's toll-free telephone number must also be provided.

SUMMARY

2

4 This bill requires insurers to notify employees who are
6 certificate holders under a group health insurance policy
8 directly prior to cancellation of their group coverage. Under
10 current law, insurers have the option of notifying either the
 certificate holders or the office of the group policyholder. The
 bill also requires that the notice include information on the
 availability of individual coverage after the group policy is
 cancelled.