

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

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TITLE 3, SECTION 163-A, SUBSECTION 4

J.S. McCarthy Company
Augusta, Maine
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CHAPTER 189

H.P. 765 - L.D. 1039

**An Act to Require Prior Notice of
Cancellation of Group Health
Insurance Policies**

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

Sec. 1. 24 MRSA §2330, sub-§1-A, as enacted by PL 1991, c. 822, §2, is amended to read:

1-A. Notification of cancellation. A nonprofit hospital, ~~or~~ medical ~~or health~~ service organization ~~or nonprofit health care plan~~ must provide by first class mail at least 10 days' prior notification of cancellation for nonpayment of subscription 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 nonprofit hospital, ~~or~~ medical ~~or~~ service organization ~~or nonprofit health care plan~~ has received written notice from the group contract holder or subgroup sponsor 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 certificate holder at:

(1) The last address provided by the subgroup sponsor or the group contract holder to the nonprofit hospital, ~~or~~ medical ~~or health~~ service organization ~~or nonprofit health care plan~~; or

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

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

Sec. 2. 24-A MRSA §2809-A, sub-§1-A, as enacted by PL 1991, c. 822, §4, is amended to read:

1-A. Notification of cancellation. An insurer must provide by first class mail at least 10 days' prior notification of cancellation for nonpayment of premium for hospital, surgical or major medical expense insurance according to this section. The notice must include the date of cancellation of coverage and the time period for exercising policy conversion rights. Notification is not required when the insurer has received written notice from the group policyholder that replacement coverage has been obtained.

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

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

(1) The last address provided by the subgroup sponsor or the group policyholder to the insurer; or

(2) The office of the subgroup sponsor, if any, or the group policyholder.

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

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

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

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

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

See title page for effective date.
