

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

FIRST REGULAR SESSION
December 7, 1994 to June 30, 1995

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 29, 1995

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4

J.S. McCarthy Company
Augusta, Maine
1995

B. The alternative evaluation and preference requirements of section 73 and rules adopted pursuant to section 73 are considered satisfied.

Sec. 3. Maine Turnpike Authority to submit report and legislation. On or before January 15, 1996, the Maine Turnpike Authority shall submit a preliminary report on the evaluation of alternatives to widening the Maine Turnpike that is being conducted in accordance with the Maine Revised Statutes, Title 23, section 1965-A to the Joint Standing Committee on Transportation. The preliminary report must include a progress report on each of the evaluation components and preliminary findings. On or before January 15, 1996, the Maine Turnpike Authority may submit legislation to authorize the issuance of revenue bonds to pay the cost or a portion of the cost of widening the turnpike to the Second Regular Session of the 117th Legislature.

See title page for effective date.

CHAPTER 342

H.P. 321 - L.D. 442

An Act to Exclude Short-term Health Insurance Policies in the Continuity Laws

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

Sec. 1. 24 MRSA §2349, sub-§1, as amended by PL 1993, c. 547, §2, is further amended to read:

1. Contracts subject to this section. This section applies to all individual and group contracts issued by nonprofit hospital or medical service organizations, except long-term care policies as defined in Title 24-A, section 5051, and short-term contracts. For purposes of this section, a short-term contract is an individual, nonrenewable contract issued for a term that does not exceed 12 months.

Sec. 2. 24 MRSA §2349, sub-§2, ¶A, as amended by PL 1993, c. 666, Pt. D, §2, is further amended to read:

A. That person was covered under an individual or group contract or policy, except for a short-term contract, issued by any insurer, health maintenance organization, nonprofit hospital or medical service organization, or was covered under an uninsured employee benefit plan that provides payment for health services received by employees and their dependents or a governmental program such as Medicaid, the Maine Health Program, as established in Title 22, section 3189,

the Maine High-Risk Insurance Organization, as established in Title 24-A, section 6052, and the Civilian Health and Medical Program of the Uniformed Services, 10 United States Code, Section 1072, Subsection 4. For purposes of this section, the individual or group contract under which the person is seeking coverage is the "succeeding contract." The group or individual contract or policy or the uninsured employee benefit plan that previously covered the person is the "prior contract or policy"; and

Sec. 3. 24 MRSA §2349, sub-§8 is enacted to read:

8. Short-term insurance. A person eligible for continuity of coverage under subsection 2 may be allowed to purchase coverage under an individual, nonrenewable short-term policy. The issuance of a short-term policy is subject to the following conditions.

A. Upon offering an individual short-term policy for purchase, an insurer or the insurer's agent or broker must provide written disclosure of the terms and benefits of the policy. Specific disclosure that the short-term policy is not subject to any limitation on preexisting condition exclusions or the provisions of guaranteed renewal and continuity of coverage is required.

B. An insurer or the insurer's agent or broker may not issue a short-term policy that replaces a prior short-term policy if the combined term of the new policy and all prior successive policies exceed 12 months. All individuals making an application for coverage under a short-term policy must disclose any prior coverage under a short-term policy and the policy duration.

Sec. 4. 24-A MRSA §2736-C, sub-§3, ¶B, as amended by PL 1993, c. 645, Pt. A, §3, is further amended to read:

B. Renewal must be guaranteed to all individuals except:

- (1) For nonpayment of the required premiums by the policyholder or contract holder;
- (2) For fraud or material misrepresentation by the policyholder or contract holder;
- (3) For fraud or material misrepresentation on the part of the individual or the individual's representative;
- (4) When the carrier ceases providing individual health plans in compliance with subsection 4; or

(5) When the carrier ceases offering a product and replaces it with a product that complies with the requirements of this section, including renewability, and the superintendent finds that replacement is in the best interest of the policyholders; or

(6) A short-term, nonrenewable policy may be issued for a term not exceeding 12 months. A short-term policy may not be issued to replace a prior short-term policy if the combined term of the new policy and all prior successive short-term policies would exceed 12 months.

Sec. 5. 24-A MRSA §2736-C, sub-§7, as enacted by PL 1993, c. 477, Pt. C, §1 and affected by Pt. F, §1, is amended to read:

7. Applicability. This section applies to all policies, plans, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after December 1, 1993 with the exception of short-term contracts, as defined in section 2349, subsection 1. For purposes of this section, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

Sec. 6. 24-A MRSA §2849-B, sub-§1, as amended by PL 1993, c. 477, Pt. A, §8 and affected by Pt. F, §1, is further amended to read:

1. Policies subject to this section. This section applies to all individual and group medical insurance policies except hospital indemnity, specified accident, specified disease, long-term care and, Medicare supplement and short-term policies issued by insurers or health maintenance organizations. For purposes of this section, a short-term policy is an individual, nonrenewable policy issued for a term that does not exceed 12 months.

Sec. 7. 24-A MRSA §2849-B, sub-§2, ¶A, as amended by PL 1993, c. 666, Pt. D, §4, is further amended to read:

A. That person was covered under an individual or group contract or policy, except for a short-term contract, issued by any nonprofit hospital or medical service organization, insurer, health maintenance organization, or was covered under an uninsured employee benefit plan that provides payment for health services received by employees and their dependents or a governmental program such as Medicaid, the Maine Health Program, as established in Title 22, section 3189, the Maine High-Risk Insurance Organization, as established in section 6052 or the Civilian Health and Medical Program of the Uniformed Services, 10 United States Code, Section 1072, Subsection 4. For purposes of this section, the individual or

group policy under which the person is seeking coverage is the "succeeding policy." The group or individual contract or policy or the uninsured employee benefit plan that previously covered the person is the "prior contract or policy";

Sec. 8. 24-A MRSA §2849-B, sub-§8 is enacted to read:

8. Short-term insurance. A person eligible for continuity of coverage under subsection 2 may be allowed to purchase coverage under an individual, nonrenewable short-term policy. The issuance of a short-term policy is subject to the following conditions.

A. Upon offering an individual short-term policy for purchase, an insurer or the insurer's agent or broker must provide written disclosure of the terms and benefits of the policy. Specific disclosure that the short-term policy is not subject to any limitation on preexisting condition exclusions or the provisions of guaranteed renewal and continuity of coverage is required.

B. An insurer or the insurer's agent or broker may not issue a short-term policy that replaces a prior short-term policy if the combined term of the new policy and all prior successive policies exceed 12 months. All individuals making an application for coverage under a short-term policy must disclose any prior coverage under a short-term policy and the policy duration.

See title page for effective date.

CHAPTER 343

H.P. 489 - L.D. 670

An Act to Extend the Medical Liability Demonstration Project Deadline by 3 Years

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

Sec. 1. 24 MRSA §2975, sub-§4, as enacted by PL 1989, c. 931, §4, is amended to read:

4. Application. This section applies to causes of action accruing between January 1, 1992 and December 31, ~~1996~~ 1999.

Sec. 2. 24 MRSA §2977, as enacted by PL 1989, c. 931, §4, is amended to read:

§2977. Evidence; inadmissibility

Unless independently developed from a source other than the demonstration project, the practice