



130th MAINE LEGISLATURE

FIRST SPECIAL SESSION-2021

Legislative Document

No. 1628

S.P. 518

In Senate, April 28, 2021

**An Act To Exempt Nonprofit Agricultural Membership
Organizations from Insurance Requirements**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator STEWART of Aroostook.
Cosponsored by Representative MORRIS of Turner and
Senator: TIMBERLAKE of Androscoggin.

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

2 **Sec. 1. 24-A MRSA §704, sub-§1**, as amended by PL 2011, c. 192, §1, is further
3 amended to read:

4 **1. Health insurance.** For purposes of this Title, except as provided in ~~subsection~~
5 subsections 2 and subsections 3 and 4, "health insurance" means insurance of human beings
6 against bodily injury, disablement or death by accident or accidental means, or the expense
7 thereof, or against disablement or expense resulting from sickness, and every insurance
8 appertaining thereto, including provision for the mental and emotional welfare of human
9 beings by defraying the costs of legal services only to the extent provided for in chapter 38.

10 **Sec. 2. 24-A MRSA §704, sub-§4** is enacted to read:

11 **4. Nonprofit agricultural membership organization.** As used in this Title and Title
12 24, the use of "health insurance" and related terms such as "accident and health insurance,"
13 "accident and sickness insurance," "carrier," "health," "health benefit plan," "health care,"
14 "health insurer" or "insurer" do not include, unless specifically provided otherwise in the
15 law, a nonprofit agricultural membership organization providing health care benefits in
16 accordance with this subsection, and a nonprofit agricultural membership organization
17 providing health care benefits in accordance with this subsection may not be considered to
18 be engaged in the business of insurance for the purposes of this Title.

19 A. For the purposes of this subsection, "nonprofit agricultural membership
20 organization" means a statewide nonprofit agricultural membership organization that
21 is exempt from taxation under the federal Internal Revenue Code and that:

22 (1) Has been in existence continuously since December 31, 1951;

23 (2) Provides health care benefits coverage for the payment of medical expenses to
24 or for members of the organization, their dependents and others; and

25 (3) Conducts an annual audit that is performed by an independent certified public
26 accountant in accordance with generally accepted accounting principles and that is
27 made available to the public upon request.

28 B. At the time an initial application for coverage for health care benefits is taken with
29 respect to new applicants and upon renewal of coverage with respect to persons
30 previously covered, the nonprofit agricultural membership organization shall provide
31 to the applicant or covered person a written notice stating that:

32 (1) The coverage is not provided by an insurance company;

33 (2) The plan is not subject to the laws and rules relating to insurance companies;

34 (3) The plan is not under the jurisdiction of the superintendent; and

35 (4) If the plan does not pay medical expenses that are eligible for payment under
36 the plan for any reason, the individuals covered by the plan may be liable for such
37 expenses.

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SUMMARY

This bill exempts statewide nonprofit agricultural membership organizations that provide health care benefits and that meet certain requirements from the definition of "health insurance" under the Maine Insurance Code.