

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Enable Maine Residents To Purchase Health Insurance over State Lines**

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

**Sec. 1. 24-A MRSA §405, sub-§6**, as enacted by PL 1969, c. 132, §1, is amended to read:

6. Any suit or action by the duly constituted receiver, rehabilitator or liquidator of the insurer, or of the insurer's assignee or successor, under laws similar to those contained in chapter 57 (delinquency proceedings; rehabilitation and liquidation); or

**Sec. 2. 24-A MRSA §405, sub-§7** is enacted to read:

7. Transactions pursuant to individual or group health insurance covering residents of this State written by an insurer or health maintenance organization, as defined in section 405-A, subsection 1, duly authorized or qualified to transact individual or group health insurance in the state or country of its domicile if the superintendent certifies that the insurer or health maintenance organization meets the requirements of section 405-A.

**Sec. 3. 24-A MRSA §405-A** is enacted to read:

### **§ 405-A. Certification of insurers or health maintenance organizations to transact individual or group health insurance**

**1. Insurer or health maintenance organization defined.** As used in this section, "insurer or health maintenance organization" means an insurer or health maintenance organization that holds a valid certificate of authority to transact individual or group health insurance in any state.

**2. Certification of insurers or health maintenance organizations.** An insurer or health maintenance organization may not transact individual or group health insurance in this State by mail, the Internet or otherwise unless the superintendent has issued a certification that the insurer or health maintenance organization has met the requirements of this subsection. The superintendent shall issue a certification or deny certification within 30 days of a request. In order to be certified, the insurer or health maintenance organization must meet the requirements of this subsection.

A. A policy, contract or certificate of individual or group health insurance offered for sale in this State by the insurer or health maintenance organization must comply with the applicable individual and group health insurance laws in the state or country of its domicile and must be actively marketed in that state or country.

B. The insurer or health maintenance organization must maintain minimum capital and surplus requirements and maintain reserves as required by section 410; section 901-A; chapter 11, subchapter 3; section 4204, subsection 2-A, paragraph D; and section 4204-A, as applicable.

C. The insurer or health maintenance organization must meet the requirements of section 4302 for reporting plan information with respect to individual and group health plans offered for sale in this State and disclose to prospective enrollees how the health plans differ from individual and group health plans offered by domestic insurers in a format approved by the superintendent within 90 days of the effective date of this section. Health plan policies and applications for coverage must contain the following disclosure statement or a substantially similar statement: "This policy is issued by an insurer or health maintenance organization governed by the laws and rules of (insurer's or health maintenance organization's state of domicile). This policy may not be subject to all the insurance laws and rules of the State of Maine, including coverage of certain health care services or benefits mandated by Maine law. Before purchasing this policy, you should carefully review the terms and conditions of coverage under this policy, including any exclusions or limitations of coverage."

D. The insurer or health maintenance organization must meet the requirements of section 4303, subsection 4 for grievance procedures with respect to health plans offered for sale in this State.

E. The insurer or health maintenance organization must designate an agent for receiving service of legal documents and process in the manner provided in this Title.

F. The insurer or health maintenance organization must participate in an insurance insolvency guaranty association to which a domestic insurer or health maintenance organization that transacts individual or group health insurance in this State is required to belong in accordance with this Title.

**3. Unfair trade practices.** The provisions of chapter 23 apply to an insurer or health maintenance organization permitted to transact individual or group health insurance under this section or section 405.

**4. Taxes; assessments.** An insurer or health maintenance organization is subject to applicable taxes or assessments imposed on insurers transacting individual or group health insurance in this State pursuant to this Title and Title 36.

**5. Compliance with court orders.** An insurer or health maintenance organization shall comply with lawful orders from courts of competent jurisdiction issued in a voluntary dissolution proceeding or in response to a petition for an injunction by the superintendent asserting that the insurer or health maintenance organization is in a hazardous financial condition.

Except as expressly provided in this section, the requirements of this Title do not apply to an insurer or health maintenance organization permitted to transact individual or group health insurance under this section or section 405.

**Sec. 4. 24-A MRSA §405-B** is enacted to read:

**§ 405-B. Domestic insurers; individual and group health insurance approved in other states**

Notwithstanding any other provision of this Title, a domestic insurer or health maintenance organization may offer for sale in this State an individual or group health plan duly authorized for sale in another state by a parent or subsidiary of the domestic insurer or health maintenance organization if the following requirements are met:

**1. Certificate of authority from state of domicile.** The parent or subsidiary of the domestic insurer or health maintenance organization must hold a valid certificate of authority to transact individual or group health insurance in any state;

**2. Compliance with laws of state of domicile.** The policy, contract or certificate of individual or group health insurance offered for sale in this State by the domestic insurer or health maintenance organization must comply with the applicable individual and group health insurance laws in the state of domicile of the parent or subsidiary and must be actively marketed in that state;

**3. Disclosure and reporting.** The domestic insurer or health maintenance organization must meet the requirements of section 4302 for reporting plan information with respect to individual and group health plans offered for sale in this State and disclose to prospective enrollees how the individual and group health plans of the parent or subsidiary differ from individual and group health plans offered by other domestic insurers in a format approved by the superintendent within 90 days of the effective date of this section. Health plan policies and applications for coverage must contain the following disclosure statement or a substantially similar statement: "This policy is issued by a domestic insurer or health maintenance organization but is governed by the laws and rules of (state of domicile of parent or subsidiary of domestic insurer or health maintenance organization), which is the state of domicile of the parent or subsidiary of the domestic insurer or health maintenance organization. This policy may not be subject to all the insurance laws and rules of the State of Maine, including coverage of certain health care services or benefits mandated by Maine law. Before purchasing this policy, you should carefully review the terms and conditions of coverage under this policy, including any exclusions or limitations of coverage."; and

**4. Grievance procedures.** The domestic insurer or health maintenance organization must meet the requirements of section 4303, subsection 4 for grievance procedures with respect to health plans offered for sale in this State.

**Sec. 5. 24-A MRSA §405-C** is enacted to read:

**§ 405-C. Waiver**

A person who purchases individual or group health insurance from an insurer or health maintenance organization pursuant to section 405-A or from a domestic insurer or health maintenance organization pursuant to section 405-B must sign a waiver indicating that the person knows that the insurance policy does not include coverage of certain health care services or benefits mandated by this Title.

**Sec. 6. Effective date.** This Act takes effect January 1, 2012.

**SUMMARY**

This bill permits insurers authorized to transact individual or group health insurance in any state to offer their individual and group health plans for sale in this State if certain requirements of Maine law are met, including minimum capital and surplus and reserve requirements, disclosure and reporting requirements and grievance procedures. It also permits Maine health insurers to offer individual and group health plans of out-of-state parent or subsidiary health insurers if similar requirements are met. If out-of-state health plans are offered for sale in this State, the bill requires that prospective enrollees be provided adequate disclosure in a format approved by the Superintendent of Insurance of how the plans differ from Maine health plans. This bill also requires a person purchasing such insurance to sign a waiver acknowledging that the insurance policy does not necessarily fully adhere to Maine law. The bill includes an effective date of January 1, 2012.