

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 Allow Maine Residents To Purchase Health Insurance from Out-of-state Insurers

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

Sec. 1. 24-A MRSA §405, sub-§7 is enacted to read:

7. Transactions pursuant to individual health insurance covering residents of this State written by a regional insurer or health maintenance organization duly authorized or qualified to transact such insurance in the state or country of its domicile if the superintendent certifies that the regional insurer or health maintenance organization meets the requirements of section 405-A.

Sec. 2. 24-A MRSA §405-A is enacted to read:

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

To qualify under this section and section 405, subsection 7, a regional insurer or health maintenance organization, as described in this section, 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 requirements of this section have been met. The superintendent shall issue a certification or deny certification within 30 days of a request. A regional insurer or health maintenance organization shall meet the following requirements.

1. Regional insurer; authority to transact individual or group health insurance in certain states. As used in this section, "regional 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 one of the following states: Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont.

2. Compliance with laws of state. Any policy, contract or certificate of individual or group health insurance offered for sale in this State by a regional insurer or health maintenance organization must comply with the applicable individual and group health insurance laws in the state of its domicile, and any such policy must be actively marketed in that state.

3. Minimum surplus and reserve levels. The regional insurer or health maintenance organization shall maintain minimum capital and surplus requirements and maintain reserves as required by section 410; section 901-A; sections 951 to 958-A; section 4204, subsection 2-A, paragraph D; and section 4204-A, as applicable.

4. Disclosure and reporting. The regional insurer or health maintenance organization shall meet the requirements of section 4302 for reporting plan information with respect to individual 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 a regional insurer or health maintenance organization and is governed by the laws and regulations of [state of regional insurer 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."

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

6. Unfair trade practices. The provisions of chapter 23 apply to the regional insurer or health maintenance organization permitted to transact health insurance under this section or section 405.

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

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

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

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

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

Sec. 3. 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 except as expressly provided, 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 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 health insurance in one of the following states: Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont.

2. Compliance with laws of state of domicile. Any policy, contract or certificate of individual or group health insurance offered for sale in this State by a 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 any such policy must be actively marketed in that state.

3. Disclosure and reporting. The domestic insurer or health maintenance organization shall 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 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], 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."

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

Sec. 4. Effective date. This Act takes effect January 1, 2010.

SUMMARY

This bill permits out-of-state health insurers, which are referred to as regional insurers in the bill, 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. The bill defines regional insurers as those insurers authorized to transact individual or group health insurance in one of the following states: Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont. It also permits Maine health insurers to offer individual 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 of how the plans differ from Maine health plans in a format approved by the Superintendent of Insurance. The bill takes effect January 1, 2010.