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Legislative Document

No. 713

S.P. 278

In Senate, March 5, 2021

An Act To Allow the Purchase of Health Insurance across State Lines

Received by the Secretary of the Senate on March 3, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 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.

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

2 **Sec. 1. 24-A MRSA §405, sub-§7**, as enacted by PL 2011, c. 90, Pt. C, §2, is
3 amended to read:

4 7. Transactions pursuant to individual health insurance covering residents of this State
5 written by ~~a regional~~ an out-of-state insurer or health maintenance organization, as defined
6 in section 405-A, duly authorized or qualified to transact individual health insurance in the
7 state or country of its domicile if the superintendent certifies that the ~~regional~~ out-of-state
8 insurer or health maintenance organization meets the requirements of section 405-A.

9 **Sec. 2. 24-A MRSA §405-A**, as amended by PL 2013, c. 388, Pt. B, §§1 and 2, is
10 further amended to read:

11 **§405-A. Certification of regional out-of-state insurers or health maintenance**
12 **organizations to transact individual health insurance**

13 **1. Regional Out-of-state insurer or health maintenance organization defined.** As
14 used in this section, "~~regional~~ out-of-state insurer or health maintenance organization"
15 means an insurer or health maintenance organization that holds a valid certificate of
16 authority to transact individual health insurance in ~~Connecticut, Massachusetts, New~~
17 ~~Hampshire, Rhode Island or Vermont~~ another state.

18 **2. Certification of regional out-of-state insurers or health maintenance**
19 **organizations.** ~~A regional~~ An out-of-state insurer or health maintenance organization may
20 not transact individual health insurance in this State by mail, the Internet or otherwise
21 unless the superintendent has issued a certification that the ~~regional~~ out-of-state insurer or
22 health maintenance organization has met the requirements of this subsection. The
23 superintendent shall issue a certification or deny certification within 30 days of a request.

24 A. A policy, contract or certificate of individual health insurance offered for sale in
25 this State by ~~a regional~~ an out-of-state insurer or health maintenance organization must
26 comply with the applicable individual health insurance laws in the state of domicile of
27 that ~~regional~~ out-of-state insurer and must be actively marketed in that state.

28 B. ~~A regional~~ An out-of-state insurer or health maintenance organization shall meet
29 the requirements of section 4302 for reporting plan information with respect to
30 individual health plans offered for sale in this State and disclose to prospective
31 enrollees how the health plans differ from individual health plans offered by domestic
32 insurers in a format approved by the superintendent. Health plan policies and
33 applications for coverage must contain the following disclosure statement or a
34 substantially similar statement on the face page of the policy or application in a type
35 size of at least 14 points and font that is easily readable by a person with average
36 eyesight: "This policy is issued by ~~a regional~~ an out-of-state insurer or health
37 maintenance organization and is governed by the laws and rules of (~~regional~~ out-of-
38 state insurer's or health maintenance organization's state of domicile). This policy may
39 not be subject to all the insurance laws and rules of the State of Maine, including
40 coverage of certain health care services or benefits mandated by Maine law. Before
41 purchasing this policy, you should carefully review the terms and conditions of
42 coverage under this policy, including any exclusions or limitations of coverage."

1 C. ~~A regional~~ An out-of-state insurer or health maintenance organization shall meet
2 the requirements of section 4303, subsection 4 for grievance procedures with respect
3 to health plans offered for sale in this State.

4 D. ~~A regional~~ An out-of-state insurer or health maintenance organization shall meet
5 the requirements of chapter 56-A for provider network adequacy with respect to health
6 plans offered for sale in this State.

7 E. ~~A regional~~ An out-of-state insurer or health maintenance organization shall meet
8 the requirements of chapter 33 with respect to rates for individual health plans offered
9 for sale in this State.

10 F. ~~A regional~~ An out-of-state insurer or health maintenance organization shall
11 designate an agent for receiving service of legal documents or process in the manner
12 provided in this Title.

13 G. ~~A regional~~ An out-of-state insurer or health maintenance organization shall meet
14 the requirements of this Title with respect to allowing the superintendent access to
15 records of the ~~regional out-of-state~~ insurer or health maintenance organization.

16 **3. Unfair trade practices.** The provisions of chapter 23 apply to a ~~regional~~ an out-
17 of-state insurer or health maintenance organization permitted to transact individual health
18 insurance under this section or section 405.

19 **4. Taxes; assessments.** ~~A regional~~ An out-of-state insurer or health maintenance
20 organization transacting individual health insurance in this State under this section is
21 subject to applicable taxes or assessments imposed on insurers transacting individual health
22 insurance in this State pursuant to this Title and Title 36.

23 **5. Compliance with court orders.** ~~A regional~~ An out-of-state insurer or health
24 maintenance organization transacting individual health insurance in this State under this
25 section shall comply with lawful orders from courts of competent jurisdiction issued in a
26 voluntary dissolution proceeding or in response to a petition for an injunction by the
27 superintendent asserting that the ~~regional out-of-state~~ insurer or health maintenance
28 organization is in a hazardous financial condition.

29 **6. Exemption from other requirements.** Except as expressly provided in this
30 section, the requirements of this Title do not apply to a ~~regional~~ an out-of-state insurer or
31 health maintenance organization permitted to transact individual health insurance under
32 this section.

33 **7. Agreement with insurance regulators in other state.** The superintendent shall
34 enter into a memorandum of understanding or other agreement with the insurance
35 department of the state of domicile of a ~~regional~~ an out-of-state insurer or health
36 maintenance organization permitted to transact individual health insurance in this State
37 under this section with respect to enforcement of the provisions of this section.

38 **8. Sale of policies.** An individual health insurance policy, contract or certificate may
39 not be offered for sale in this State pursuant to this section before January 1, 2014.

40 **Sec. 3. 24-A MRSA §405-B, first ¶,** as amended by PL 2013, c. 388, Pt. B, §3, is
41 further amended to read:

42 Notwithstanding any other provision of this Title, a domestic insurer or licensed health
43 maintenance organization authorized to transact individual health insurance in this State

1 may offer for sale in this State an individual health plan duly authorized for sale in
2 ~~Connecticut, Massachusetts, New Hampshire, Rhode Island or Vermont~~ another state by a
3 parent or corporate affiliate of the domestic insurer or licensed health maintenance
4 organization if the following requirements are met.

5 **Sec. 4. 24-A MRSA §405-C**, as enacted by PL 2011, c. 90, Pt. C, §5, is amended
6 to read:

7 **§405-C. Domestic insurers or licensed health maintenance organizations; parity with**
8 **~~regional~~ out-of-state insurers**

9 Notwithstanding any other provision of this Title, a domestic insurer or licensed health
10 maintenance organization authorized to transact individual health insurance in this State
11 may offer for sale in this State an individual health plan equivalent to any plan offered for
12 sale in this State by a ~~regional~~ an out-of-state insurer or health maintenance organization
13 pursuant to section 405-A. An individual health plan may not be offered for sale pursuant
14 to this section before January 1, 2014.

15 **SUMMARY**

16 This bill authorizes the sale of individual health insurance policies in the State by out-
17 of-state health insurers. The bill removes the restriction on the sale of policies by only
18 insurers authorized to transact individual health insurance in New England.