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Legislative Document

No. 424

S.P. 172

In Senate, February 11, 2021

An Act To Restore Short-term Health Insurance

Received by the Secretary of the Senate on February 9, 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 BENNETT of Oxford.

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

2 **Sec. 1. 24-A MRSA §2849-B, sub-§1**, as amended by PL 2019, c. 330, §2, is
3 further amended to read:

4 **1. Policies subject to this section.** This section applies to all individual, group and
5 blanket medical insurance policies except hospital indemnity, specified accident, specified
6 disease, long-term care and short-term, limited-duration policies issued by insurers or
7 health maintenance organizations. For purposes of this section, a short-term, limited-
8 duration policy is an individual, nonrenewable policy issued for a term that ~~does not extend~~
9 ~~beyond December 31st of the calendar year in which the policy is issued~~ is less than 12
10 months. This section does not apply to Medicare supplement policies as defined in section
11 5001, subsection 4.

12 **Sec. 2. 24-A MRSA §2849-B, sub-§8, ¶B**, as amended by PL 2019, c. 330, §4, is
13 further amended to read:

14 B. An insurer or the insurer's agent or broker may not issue a short-term,
15 limited-duration policy that replaces a prior short-term, limited-duration policy ~~as long~~
16 ~~as if the combined term of the new policy and all prior successive policies does not~~
17 ~~exceed exceeds~~ 24 months ~~and the individual has not been covered under any prior~~
18 ~~short-term, limited-duration policy for at least 12 months~~. All individuals making an
19 application for coverage under a short-term, limited-duration policy must disclose any
20 prior coverage under a short-term, limited-duration policy and the policy duration.

21 **Sec. 3. 24-A MRSA §2849-B, sub-§8, ¶C**, as enacted by PL 2019, c. 330, §4, is
22 repealed.

23 **Sec. 4. 24-A MRSA §2849-B, sub-§8, ¶D**, as enacted by PL 2019, c. 330, §4, is
24 repealed.

25 **Sec. 5. Application.** The requirements of this Act apply to all short-term, limited
26 duration health insurance policies, contracts and certificates executed, delivered, issued for
27 delivery, continued or renewed in this State on or after January 1, 2022. For purposes of
28 this Act, all contracts are deemed to be renewed no later than the next yearly anniversary
29 of the contract date.

30 **SUMMARY**

31 This bill reverses several changes regulating short-term, limited-duration health
32 insurance policies enacted in Public Law 2019, chapter 330. The bill authorizes the
33 issuance of a policy for up to 12 months and eliminates the restriction terminating a
34 short-term, limited-duration policy on December 31st of the year in which it is issued. The
35 bill removes the prohibition on selling a short-term, limited-duration policy to anyone who
36 has had prior short-term policy coverage in the last 12 months and removes the combined
37 cap on coverage of 24 months. The bill also removes the requirement that these policies
38 may be sold only through an in-person encounter and the provision prohibiting the sale of
39 these policies during any open enrollment period.

40 The changes made in the bill apply to short-term, limited-duration health insurance
41 policies, contracts and certificates issued or renewed in this State on or after January 1,
42 2022.