

Bulletin 174

Continuity of health insurance

June 4, 1990

Public Law 1989 Chapter 867, "An Act to Ensure Continuity of Health Insurance Coverage," was enacted and signed into law on April 19, 1990. The portion of the law which becomes effective October 1, 1990, concerns continuity in situations when one group policy is replaced by another. It has come to my attention that one provision of this law is subject to differing interpretations. The purpose of this bulletin is to clarify this provision.

Title 24 M.R.S.A. Section 2347 and Title 24-A M.R.S.A. Section 2849 state that when one group policy replaces another, insurers may not request "evidence of insurability" concerning any person who was covered by the prior policy during the previous 90 days. It is the Bureau's interpretation that this provision in no way limits the insurer's right to require information concerning the health of the individuals in the group for the purpose of determining whether the group as a whole is insurable, or for the purpose of determining rules for the group as a whole. The term "evidence of insurability" refers to medical information

used to determine whether coverage of an individual within the group is to be limited or excluded. As long as the information obtained is not used for this purpose, it will not be considered to be "evidence of insurability."

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