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An Act To Permit Senior Citizens To Designate a 3rd Party To Receive Notice of Cancellation of Insurance Policies

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

Sec. 1. 24-A MRSA §2556, sub-§2, as enacted by PL 2007, c. 40, §1, is amended to read:

2. Restrictions on lapse or termination; age; organic brain disease. Notwithstanding any other provision of this chapter, the bureau shall adopt rules to provide restrictions on cancellation, termination or lapse of individual life insurance policies to reduce the danger that a life insurance policyholder will lose life insurance coverage due to age or organic brain disease.

Sec. 2. 24-A MRSA §2707-A, as enacted by PL 1989, c. 835, §2, is amended to read:

§ 2707-A. Notification prior to cancellation

The superintendent shall, ~~by January 1, 1991,~~ adopt rules to provide for notification of the insured person and another person, if designated by the insured, prior to cancellation of a health insurance policy for nonpayment of premiums, and to provide restrictions on cancellation when an insured person is 65 years of age or older or suffers from organic brain disease.

The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 3. 24-A MRSA §2847-C, as enacted by PL 1991, c. 695, §5 and c. 824, Pt. A, §51, is amended to read:

§ 2847-C. Notification prior to cancellation

The superintendent shall, ~~by January 1, 1991,~~ adopt rules to provide for notification of the insured person and another person, if designated by the insured, prior to cancellation of a health insurance certificate for nonpayment of premiums, and to provide restrictions on cancellation when an insured person is 65 years of age or older or suffers from organic brain disease.

The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

The requirements of this section apply to all policies and certificates executed, delivered, issued for delivery, continued or renewed in this State.

Sec. 4. 24-A MRSA §5016 is enacted to read:

§ 5016. Notification prior to cancellation

The superintendent shall adopt rules to provide for notification of the insured person, and another person if designated by the insured, prior to cancellation of a Medicare supplement policy or certificate for nonpayment of premiums, and to provide restrictions on cancellation when an insured person is 65 years of age or older. The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. The requirements of this section apply to all policies and certificates executed, delivered, issued for delivery, continued or renewed in this State.

Sec. 5. 24-A MRSA §5058 is enacted to read:

§ 5058. Notification prior to cancellation

The superintendent shall adopt rules to provide for notification of the insured person, and another person if designated by the insured, prior to cancellation of a long-term care policy or certificate for nonpayment of premiums, and to provide restrictions on cancellation when an insured person is 65 years of age or older. The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. The requirements of this section apply to all policies and certificates executed, delivered, issued for delivery, continued or renewed in this State.

Sec. 6. 24-A MRSA §5082 is enacted to read:

§ 5082. Notification prior to cancellation

The superintendent shall adopt rules to provide for notification of the insured person, and another person if designated by the insured, prior to cancellation of a long-term care insurance policy or certificate for nonpayment of premiums, and to provide restrictions on cancellation when an insured person is 65 years of age or older. The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. The requirements of this section apply to all policies and certificates executed, delivered, issued for delivery, continued or renewed in this State.

Sec. 7. Rulemaking. The Superintendent of Insurance within the Department of Professional and Financial Regulation shall adopt rules as required by this Act before January 1, 2012.

SUMMARY

This bill permits insured persons 65 years of age or older to designate a 3rd party to also receive notice of cancellation of health insurance, Medicare supplement, life insurance and long-term care insurance policies.