

126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 893

S.P. 314

In Senate, March 7, 2013

An Act To Protect Life Insurance Policyholders

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator VALENTINO of York.

Cosponsored by Senators: BOYLE of Cumberland, GRATWICK of Penobscot, LACHOWICZ of Kennebec.

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

- **Sec. 1. 24-A MRSA §2556, sub-§1,** as enacted by PL 2007, c. 40, §1, is amended to read:
- 1. Notice to 3rd party. An individual life insurance policy that has been in force for at least one year may not be terminated for nonpayment of premium unless, at least 21 days prior to the expiration of the grace period, the insurer has mailed a notice of cancellation to the policyholder and any 3rd party designated by the policyholder by registered mail to the name and last known address in writing of the policyholder and any 3rd party designated by the policyholder. The bureau shall adopt rules to implement the notice requirements under this subsection.

11 SUMMARY

This bill requires that a notice of cancellation of life insurance be sent by registered mail to the last known address of the policyholder and any 3rd party designated by the policyholder.