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## **An Act To Require Prior Notice before Cancellation of a Life Insurance Policy for Nonpayment of Premiums**

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

**Sec. 1. 24-A MRSA §2556** is enacted to read:

### **§ 2556. 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 coverage under an individual life insurance policy for nonpayment of premiums and to provide restrictions on cancellation when an insured person suffers from organic brain disease.

The rules may include, but are not limited to, definitions, minimum disclosure requirements, notice provisions and cancellation restrictions.

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

Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

### **SUMMARY**

This bill directs the Superintendent of Insurance to adopt rules that will extend consumer protections currently provided for health insurance to life insurance policies by requiring insurance companies to provide notice prior to cancellation of a policy for nonpayment of premiums. It also allows consumers to designate a 3rd party to whom such notices must be sent.