



# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 848

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H.P. 599

House of Representatives, March 5, 2013

### **An Act To Clarify the Right To Name a 3rd Party To Receive Notification of Policy Cancellation**

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative HOBBS of Saco.  
Cosponsored by Representatives: CAMPBELL of Orrington, MORRISON of South Portland,  
Senator: HASKELL of Cumberland.

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

2 **Sec. 1. 24-A MRSA §2707-A**, as amended by PL 2011, c. 123, §2 and affected by  
3 §5, is further amended by adding after the 2nd paragraph a new paragraph to read:

4 When an insured pays the premium for a policy through a payroll deduction plan, any  
5 requirement that the insured has a right to designate at least one other person to receive  
6 notice of lapse or termination of the policy may be deferred until 60 days after the insured  
7 is no longer on the payroll plan.

8 **Sec. 2. 24-A MRSA §2847-C**, as amended by PL 2011, c. 123, §3 and affected by  
9 §5, is further amended by adding after the 2nd paragraph a new paragraph to read:

10 When a policyholder or certificate holder pays the premium for a policy or certificate  
11 through a payroll plan, any requirement that the insured has a right to designate at least  
12 one other person to receive notice of lapse or termination of a group accident or health  
13 insurance policy or certificate may be deferred until 60 days after the certificate holder is  
14 no longer on the payroll plan.

15 **Sec. 3. Rules.** The Superintendent of Insurance shall adopt routine technical rules  
16 as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A to  
17 implement those sections of this Act that amend Title 24-A, sections 2707-A and 2847-C.

18 **SUMMARY**

19 This bill adds provisions to the Maine Insurance Code to allow an insured person  
20 who had been paying for health insurance through a payroll plan a period of 60 days after  
21 the insured person is no longer on the payroll plan to designate at least one other person  
22 to receive notice of lapse or termination of the policy.