

STATE OF MAINE

—  
IN THE YEAR OF OUR LORD  
TWO THOUSAND AND FIFTEEN

—  
H.P. 152 - L.D. 220

**An Act To Require Proper Notification of Life Insurance Cancellation**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** coverage under the group life insurance coverage program administered by the Maine Public Employees Retirement System may be terminated for nonpayment of premium if premiums are not paid when due at the end of the month; and

**Whereas,** employees have no recourse to reinstate coverage following termination; and

**Whereas,** employees may not have received notice of cancellation during an unpaid leave of absence due to an accident or illness and family members learn of the termination of coverage only following the death of the employee; and

**Whereas,** this legislation would allow employees to designate a 3rd party to also receive a notice of cancellation prior to the termination of life insurance coverage to provide further protection to avoid termination of coverage; and

**Whereas,** immediate enactment of this legislation is needed to help preserve life insurance coverage for employees and their families; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 5 MRSA §18058, sub-§1, ¶D** is enacted to read:

D. The employee may designate in writing the name and address of a 3rd party to whom notice must be provided as required in subsection 6.

**Sec. 2. 5 MRSA §18058, sub-§6** is enacted to read:

**6. Notice to employee and 3rd party prior to lapse or termination.** Coverage for an employee may not be terminated for nonpayment of premium unless, at least 14 days prior to the lapse or termination of coverage, the board has mailed a notice of cancellation to the employee and any 3rd party designated by the employee by name and address in writing pursuant to subsection 1, paragraph D.

**Sec. 3. Notification to existing employees.** On or before July 1, 2015, the Maine Public Employees Retirement System shall provide an opportunity to all employees currently insured under the group life insurance program provided in accordance with the Maine Revised Statutes, Title 5, chapter 423, subchapter 6 to designate in writing the name and address of a 3rd party to whom notice of cancellation must be mailed prior to the cancellation of insurance coverage for nonpayment of premium.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.