1	L.D. 220
2	Date: (Filing No. H-)
3	INSURANCE AND FINANCIAL SERVICES
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	127TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT " " to H.P. 152, L.D. 220, Bill, "An Act To Require Proper Notification of Life Insurance Cancellation"
11 12	Amend the bill by inserting after the title and before the enacting clause the following:
13 14	'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
15 16 17	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
18 19	Whereas, employees have no recourse to reinstate coverage following termination; and
20 21 22	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
23 24 25	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
26 27	Whereas, immediate enactment of this legislation is needed to help preserve life insurance coverage for employees and their families; and
28 29 30 31	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,'
32 33	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
34	'Sec. 1. 5 MRSA §18058, sub-§1, ¶D is enacted to read:

Page 1 - 127LR1043(02)-1

<u>D.</u>	The	emplo	yee ma	y desig	nate in	writing	the	name	and	address	of a	a 3rd	party	to to
wh	om no	tice m	ust be p	orovide	d as rec	quired in	sub	sectio	n 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.'

18 SUMMARY

This amendment is the majority report of the committee. The amendment replaces the bill, which proposes to require individual life insurers to provide notice of termination of a life insurance policy by registered mail. The amendment requires the Maine Public Employees Retirement System to provide notice of cancellation of life insurance coverage administered by the Maine Public Employees Retirement System to an employee and any designated 3rd party. The notice must be by mail. The amendment also allows an employee covered by the Maine Public Employees Retirement System to designate a 3rd party to receive the cancellation notice. The amendment also adds an emergency preamble and clause.

FISCAL NOTE REQUIRED

(See attached)