

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

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

§ 2556. Notification prior to lapse or termination

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 name and address in writing. The bureau shall adopt rules to implement the notice requirements under this subsection.

2. Restrictions on lapse or termination; organic brain disease. Notwithstanding any other provision of this chapter, the bureau shall adopt rules to provide restrictions on cancellation, termination or lapse of individual life insurance policies to reduce the danger that a life insurance policyholder will lose life insurance coverage due to organic brain disease.

3. Rulemaking. The rules adopted pursuant to this section apply to all life insurance policies and riders delivered or 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 amendment replaces the bill. It requires that insurance companies provide notice prior to cancellation of a policy for nonpayment of premiums to the policyholder and a 3rd party that has been designated by the policyholder to receive those notices. It requires the Department of Professional and Financial Regulation, Bureau of Insurance to adopt rules related to the notice provisions. It also directs the Bureau of Insurance to adopt rules to provide restrictions on cancellation, termination or lapse of individual life insurance policies to reduce the danger that life insurance policyholders will lose coverage due to organic brain disease.

FISCAL NOTE REQUIRED

(See attached)