

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-373)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 170, L.D. 221, Bill,
"AN ACT to Prohibit Cancellation of Automobile or Property
Insurance without Actual Notice to the Insured."

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

'Sec. 1. 24-A MRSA §2914, sub-§1, as enacted by PL 1973,
c. 339, §1, is amended to read:

1. Nonpayment of premium. No notice of cancellation for
nonpayment of premium shall be effective unless deemed received
under section 2915 after the premium due date;

Sec. 2. 24-A MRSA §2915, first paragraph, as enacted by
PL 1973, c. 339, §1, is amended to read:

No notice of cancellation of a policy shall be effective
unless ~~mailed-or-delivered~~ received by ~~the-insurer-to~~ the named
insured at least ^{days} 20/prior to the effective date of cancellation,
or, where the cancellation is for nonpayment of premium, at
least 10 days prior to the date of cancellation. In the event
the policy is an automobile physical damage policy, like notice
of cancellation shall also be given to any other person mentioned
in the loss payable clause. A post-office department certificate
of mailing to the named insured at ~~the~~ his last known address
~~shown-in-the-policy~~ shall be conclusive proof of receipt ~~of-such~~
mailing on the 3rd calendar day after mailing.

Sec. 3. 24-A MRSA §2915, 2nd paragraph, as repealed and replaced by PL 1977, c. 403, §3, is repealed and the following enacted in its place:

Except for a policy which has been in effect for less than 60 days at the time notice of cancellation is received by the named insured, the reason for cancellation shall accompany the notice, together with a notice of the right to apply for a hearing before the Superintendent of Insurance within 30 days, as provided in this section.

Sec. 4. 24-A MRSA §2917, first paragraph, as enacted by PL 1973, c. 339, §1, is amended to read:

No insurer shall fail to renew a policy except by notice to the insured as provided in this subchapter. A notice of intention not to renew shall not be effective unless ~~mailed-or-delivered~~ received by ~~the-insurer-to~~ the named insured at least 30 days prior to the expiration date of the policy. A post-office department certificate of mailing to the named insured at ~~the~~ his last known address ~~shown-in-the-policy~~ shall be conclusive proof of receipt ~~of-such-mailing~~ on the 3rd calendar day after mailing.

Sec. 5. 24-A MRSA §2917, 2nd paragraph, last sentence, as enacted by PL 1977, c. 597, is amended to read:

A notice of a right to apply for a hearing before the Superintendent of Insurance / ^{within} ~~15~~ 30 days as provided herein shall accompany the notice of intent not to renew.

Sec. 6. 24-A MRSA §2920, first sentence, as amended by PL 1973, 585, §12, is further amended to read:

Any named insured who has received a statement of reason for cancellation, or of reason for an insurer's intent not to renew a policy, may, within ~~15~~ 30 days of the receipt ~~or-delivery~~ of a statement of reason, request a hearing before the ~~Insurance~~ Superintendent of Insurance.

Sec. 7. 24-A MRSA §3049, sub-§1, as enacted by PL 1973, c. 239, is ~~is~~ amended to read:

1. Nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use. No notice of cancellation for nonpayment of premium shall be effective unless deemed received under section 3050 after the premium due date;

Sec. 8. 24-A MRSA §3050, first paragraph, as enacted by PL 1973, c. 239, is amended to read:

No notice of cancellation of a policy shall be effective unless ~~mailed-or-delivered~~ received by ~~the-insurer-to~~ the named insured at least 20 days prior to the effective date of cancellation, or, where the cancellation is for nonpayment of premium, at least 10 days prior to the date of cancellation. A post-office department certificate of mailing to the name insured at ~~the~~ his last known address ~~shown-in-the-policy~~ shall be conclusive proof of receipt ~~of-such-mailing~~ on the 3rd calendar day after mailing.

Sec. 9. 24-A MRSA §3050, 2nd paragraph, as repealed and replaced by PL 1977, c. 414, §3, is repealed and the following enacted in its place:

Except for a policy which has been in effect for less than 60 days at the time notice of cancellation is received by the named insured, the reason for cancellation shall accompany the notice, together with a notice of the right to apply for a hearing before the Superintendent of Insurance within 30 days, as provided in this section.

Sec. 10. 24-A MRSA §3051, first paragraph, as amended by PL 1977, c. 414, §4, is further amended to read:

No insurer shall fail to renew a policy except by notice to the insured as provided in this subchapter. A notice of intention not to renew shall not be effective unless ~~mailed or delivered~~ received by ~~the insurer to~~ the named insured at least 30 days prior to the expiration date of the policy. A post-office department certificate of mailing to the named insured at ~~the~~ his last known address ~~shown in the policy~~ shall be conclusive proof of receipt ~~of such mailing~~ on the 3rd calendar day after mailing. The reason shall accompany the notice of intent not to renew, together with notification of the right to apply for a hearing before the Superintendent of Insurance / ^{within} ~~15~~ 30 days as provided.

Sec. 11. 24-A MRSA §3054, first sentence, as amended by PL 1973, c. 585, §12, is further amended to read:

Any named insured who has received a statement of reason for cancellation, or of reason for an insurer's intent not to renew a policy, may, ^{within} ~~15~~ 30 days of the receipt ~~or delivery~~ of a statement of reason, request a hearing before the ~~Insurance~~ Superintendent of Insurance.

Statement of Fact

This amendment precludes insurers from giving notice of cancellation for nonpayment of premium before the premium due date, clarifies an ambiguity in existing law as to when the reason for cancellation must accompany the notice, makes a post-office certificate of mailing conclusive proof of receipt of notice by the insured, and extends the time for appealing cancellation to the Superintendent of Insurance from 15 to 30 days.