

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 666

S. P. 199

In Senate, February 18, 1975

Referred to the Committee on Business Legislation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Thomas of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Relating to Credit Insurance Payments under the Maine Consumer
Credit Code.

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

9-A MRSA § 2-510, sub-§ 9, as enacted by PL 1973, c. 762, § 1, is amended to read:

9. Upon prepayment in full of a consumer credit transaction by proceeds of consumer credit insurance for which a separate charge has been paid by the debtor, section 4-103, the consumer or his estate is entitled to the same rebate as though the consumer had prepaid the agreement on the date the proceeds of the insurance are paid to the creditor, but no later than ~~to~~ 5 business days after satisfactory proof of loss is furnished to the ~~creditor~~ insurer and payment of such proceeds is made to the creditor.

STATEMENT OF FACT

The purpose of this bill is to clarify and speed-up payments of rebates due on loans covered by credit insurance. The insurer or his agent must be satisfied as to proof of loss and make or authorize payments by the creditor. After this payment has been received or authorized, the creditor needs only reasonable processing time to make the payment over.