

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 221

H. P. 170

House of Representatives, January 30, 1979

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

EDWIN H. PERT, Clerk

Presented by Mrs. Beaulieu of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

**AN ACT to Prohibit Cancellation of Automobile or Property Insurance without
Actual Notice to the Insured.**

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

Sec. 1. 24-A MRSA § 2915, first ¶, 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 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, **and unless the insurer has proof that the named insured received the notice.** 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 address shown in the policy shall be proof of receipt of such mailing~~ **A post office return receipt bearing the named insured's signature or showing that the notice was mailed by certified or registered mail to the named insured at the named insured's last known address shall be proof of receipt of the notice by the named insured.**

Sec. 2. 24-A MRSA § 2917, first ¶, 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 by the insurer to the named insured at least 30 days prior to the expiration date of the policy, **and unless the insurer has proof that the named insured received the notice.** ~~A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing~~ **A post office return receipt bearing the named insured's signature or showing that the notice was mailed by certified or registered mail to the named insured at the named insured's last known address shall be proof of receipt of the notice by the named insured.**

Sec. 3. 24-A MRSA § 3050, first ¶, as amended by PL 1977, c. 414, § 2, is further amended to read:

No notice of cancellation of a policy shall be effective unless mailed or delivered 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, **and unless the insurer has proof that the named insured received the notice.** ~~A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing~~ **A post office return receipt bearing the named insured's signature or showing that the notice was mailed by certified or registered mail to the named insured at the named insured's last known address shall be proof of receipt of the notice by the named insured.**

Sec. 4. 24-A MRSA § 3051, first ¶, 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 by the insurer to the named insured at least 30 days prior to the expiration date of the policy, **and unless the insurer has proof that the named insured received the notice.** ~~A post office department certificate of mailing to the named insured at the address shown in the policy shall be proof of receipt of such mailing~~ **A post office return receipt bearing the named insured's signature or showing that the notice was mailed by certified or registered mail to the named insured at the named insured's last known address shall be proof of receipt of the notice by the named insured.** 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 days as provided.

STATEMENT OF FACT

The purpose of this bill is to prohibit an insurance company from cancelling automobile or property insurance until the company knows that the insured has actually received the required advance notice or, where the insured refuses to accept notice or cannot be found, until the company knows that fact. The bill

accomplishes this by amending the insurance cancellation provisions of the Insurance Code to require in effect that a company send notice by registered or certified mail return receipt requested and to delay the effective date of cancellation until the receipt is returned to the company.