

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 862

H. P. 690

House of Representatives, March 1, 1979

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

EDWIN H. PERT, Clerk

Presented by Mr. Hobbins of Saco.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Concerning the Maine Property Insurance Cancellation Control Act.

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

Sec. 1. 24-A MRSA § 3048, as enacted by PL 1973, c. 239, is amended by adding at the end the following new paragraph:

Any policy written for a term longer than one year or with no fixed expiration date shall be considered, for purposes of this subchapter, written for successive policy terms of one year.

Sec. 2. 24-A MRSA § 3049, next to last ¶, first sentence, as enacted by PL 1973, c. 239, is amended to read:

This section shall not apply to any policy or coverage which has been in effect less than ~~60~~ 90 days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy.

Sec. 3. 24-A MRSA § 3049, sub-§ 6 is enacted to read:

6. The failure of the insured to correct a hazard within 60 days following notice by the insurer to the insured specifically identifying the hazard and requesting that the hazard be corrected.

STATEMENT OF FACT

This bill adds to the Maine Property Insurance Cancellation Control Act language currently found in the Automobile Insurance Cancellation Control Act and it provides needed additional time for insurers to adequately investigate a risk before coming under the provisions of the Maine Property Insurance Cancellation Control Act.

Also, language is added to the Maine Property Insurance Cancellation Control Act which it is hoped will encourage insurers to work with their insureds to correct discovered hazards rather than take steps to immediately cancel the policy on other grounds.