

MAINE STATE LEGISLATURE

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L.D. 1161

STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-54)

SENATE AMENDMENT " B " to S.P. 401, L.D. 1161, Bill, "AN ACT to Make Corrections of Errors and Inconsistencies in the Laws of Maine."

Amend the Bill by inserting after section 158 the following:

'Sec. 158-A. 24-A MRSA §2807, as enacted by PL 1969, c. 132, §1, is amended to read:

A group of individuals may be insured under a policy issued to a creditor, or to a trustee or trustees or agent designated by 2 or more creditors, which creditor, trustee, trustees or agent shall be deemed the policyholder, insuring a group of debtors of the creditor or a group of debtors of the 2 or more creditors, as the case may be, all as defined and set forth under section 2604 ~~and under the same conditions and limitations as specified in such section~~, provided that the amount of indemnity payable with respect to any person insured thereunder shall not at any time exceed the aggregate of the periodic scheduled unpaid installments, ~~nor the sum of \$40,000, whichever is less~~, including, with respect to mortgage indebtedness, such real estate taxes and insurance costs incident to the mortgaged property as may become due during the scheduled period and provided that nothing in this paragraph shall be construed or deemed to apply to or affect disability benefit provisions in group credit life insurance policies as authorized under section 2604.

Sec. 158-B. 24-A MRSA §2859, sub-§1, first sentence, as amended by PL 1977, c. 672, §3, is further amended to read:

Any insurer may revise its schedules of premium rates from time to time, and shall file such revised schedules with the superintendent; however, no upward revision in premium-rates insurance charges to debtors may be made ~~to-insure~~ in connection with closed-end credit which would apply to debtors whose credit insurance is already in force.

Sec. 158-C. 24-A MRSA §2859, sub-§4, ¶D, as enacted by PL 1977, c. 672, §4, is amended to read:

D. In the case where debtors are insured under group policies, the group policy may be terminated after 31 days prior notice to the debtor from the creditor;

(1) In a noncontributory policy, at the option of the creditor; ~~or~~

(2) At the time the insurance risk is transferred to a succeeding insurance carrier; or

(3) If the group policyholder fails to pay the premium; or

Sec. 158-D. 24-A MRSA §2859, sub-§4, ¶F is enacted to read:

F. In the case where credit is extended on a closed-end basis, coverage for an individual insured under the policy may be terminated upon expiration of the term of the loan or term for which a charge was paid.

Statement of Fact

This amendment corrects certain errors and omissions in P.L. 1977, c. 672, "AN ACT to Amend the Credit Life and Credit Health Insurance Laws." These errors and omissions will, if uncorrected, create serious and unconscionable inequities among insurers and consumers and may adversely effect the availability of credit life and health insurance in the State.

(Clark)
SPONSOR:

Faney Leadell Clark

COUNTY: Cumberland

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