

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

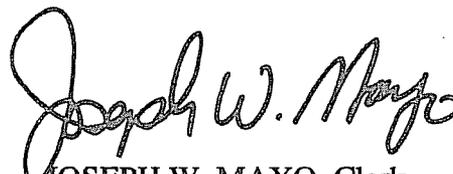
No. 200

H.P. 148

House of Representatives, January 28, 1993

An Act to Require Insurers to Notify Loss Payees in the Event of Termination of Coverage.

Reference to the Committee on Banking and Insurance suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative MICHAUD of East Millinocket.

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

4 Sec. 1. 24-A MRSA §2904-A is enacted to read:

6 §2904-A. Loss payee listing and notification

8 1. Loss payee listing. When an insurer is notified that a
10 3rd party holds a security interest in a motor vehicle insured by
12 that insurer, the insurer must list the secured party on the
14 policy as a loss payee.

16 2. Loss payee notification. When an insurer terminates
18 insurance coverage on a motor vehicle in which a 3rd party is
20 listed on the policy as a loss payee, the insurer must mail
22 notice of the termination of coverage to the 3rd party at the
24 same time that notice is mailed to the insured.

18 STATEMENT OF FACT

20 This bill requires an insurer to list as a loss payee a 3rd
22 party holding a security interest in a motor vehicle. It
24 requires the insurer to notify the loss payee when notifying the
insured of termination of coverage.