

MAINE STATE LEGISLATURE

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R. of S.

L.D. 647

(Filing No. H- 211)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 489, L.D. 647, Bill, "An Act to Amend the Law Pertaining to the Termination of Credit Insurance"

Amend the bill by inserting at the end before the statement of fact the following:

Sec. 2. 24-A MRSA §2859, sub-§4, ¶F, as enacted by PL 1979, c. 127, 156-D, is amended to read:

~~F. In the case where~~ If 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; or

Sec. 3. 24-A MRSA §2859, sub-§4, ¶G is enacted to read:

G. When credit insurance is paid for by the debtor in a single premium at the inception of the debt, if the debt is placed in charged-off status by the creditor because the debt is uncollectible, the insurance coverage may be terminated by the creditor and any refund of premium must be applied against any outstanding indebtedness. The creditor shall give notice of the termination of insurance coverage to the debtor at the debtor's last known address.

STATEMENT OF FACT

This amendment adds to the bill a provision that requires any refund of premium to be applied to the outstanding debt when the premium was paid at the time of the debt. It requires the creditor to give notice of the termination of insurance coverage.

Reported by the Committee on Banking and Insurance.
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4/28/93 (Filing No. H-211)

COMMITTEE AMENDMENT