

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: May 18, 1995

(Filing No. S- 160)

BANKING AND INSURANCE

Reported by: Report A of the Committee.

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 314, L.D. 895, Bill, "An Act to Require Mortgage Insurers to Offer a Policy Following the Cancellation of an Original Policy"

Amend the bill by striking out the title and substituting the following:

'An Act to Require Additional Disclosure of Terms in Credit Life and Credit Health Insurance Policies'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 24-A MRSA §2857, sub-§2, as enacted by PL 1969, c. 132, §1, is amended to read:

2. Content of policy or certificate. Each individual policy or group certificate of credit life insurance or credit health insurance shall must, in addition to other requirements of law, set forth the name and home office address of the insurer, the name or names of the debtor, or, in the case of a certificate under a group policy, the identity by name or otherwise of the debtor; the premium or amount of payment, if a separate identifiable charge is paid by the debtor separately for credit life insurance and credit health insurance; a description of the coverage, including the amount and term thereof of the coverage, and any exceptions, limitations and restrictions, including conditions under which the policy may be terminated, which must be highlighted in bold print; and shall must state that the benefit shall-be is paid to the creditor to reduce or extinguish

2 the unpaid indebtedness and, wherever the amount of insurance may
3 exceed the unpaid indebtedness, that any such excess shall-be is
4 payable to a beneficiary, other than the creditor, named by the
5 debtor or to his the debtor's estate. During the 30 days
6 immediately following the commencement date, the debtor may
7 cancel the insurance and request in writing a full refund of
8 premium for any reason.'

10

STATEMENT OF FACT

12

13 This amendment is the majority report and it replaces the
14 original bill. The amendment requires specific bold-printed
15 language in policies and certificates of credit life and credit
16 health insurance that indicates the conditions under which a
group policy may be terminated and adds a 30-day "free look"
provision to all credit life and credit health insurance policies.