

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 313

S.P. 93

In Senate, February 8, 2011

An Act To Permit Senior Citizens To Designate a 3rd Party To Receive Notice of Cancellation of Insurance Policies

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator HOBBS of York.
Cosponsored by Senators: BRANNIGAN of Cumberland, SULLIVAN of York,
Representative: BEAUDOIN of Biddeford.

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

2 **Sec. 1. 24-A MRSA §2556, sub-§2**, as enacted by PL 2007, c. 40, §1, is amended
3 to read:

4 **2. Restrictions on lapse or termination; age; organic brain disease.**
5 Notwithstanding any other provision of this chapter, the bureau shall adopt rules to
6 provide restrictions on cancellation, termination or lapse of individual life insurance
7 policies to reduce the danger that a life insurance policyholder will lose life insurance
8 coverage due to age or organic brain disease.

9 **Sec. 2. 24-A MRSA §2707-A**, as enacted by PL 1989, c. 835, §2, is amended to
10 read:

11 **§2707-A. Notification prior to cancellation**

12 The superintendent shall, ~~by January 1, 1991,~~ adopt rules to provide for notification
13 of the insured person and another person, if designated by the insured, prior to
14 cancellation of a health insurance policy for nonpayment of premiums, and to provide
15 restrictions on cancellation when an insured person is 65 years of age or older or suffers
16 from organic brain disease.

17 The rules may include, but are not limited to, definitions, minimum disclosure
18 requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to
19 this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

20 **Sec. 3. 24-A MRSA §2847-C**, as enacted by PL 1991, c. 695, §5 and c. 824, Pt.
21 A, §51, is amended to read:

22 **§2847-C. Notification prior to cancellation**

23 The superintendent shall, ~~by January 1, 1991,~~ adopt rules to provide for notification
24 of the insured person and another person, if designated by the insured, prior to
25 cancellation of a health insurance certificate for nonpayment of premiums, and to provide
26 restrictions on cancellation when an insured person is 65 years of age or older or suffers
27 from organic brain disease.

28 The rules may include, but are not limited to, definitions, minimum disclosure
29 requirements, notice provisions and cancellation restrictions. Rules adopted pursuant to
30 this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

31 The requirements of this section apply to all policies and certificates executed,
32 delivered, issued for delivery, continued or renewed in this State.

33 **Sec. 4. 24-A MRSA §5016** is enacted to read:

34 **§5016. Notification prior to cancellation**

35 The superintendent shall adopt rules to provide for notification of the insured person,
36 and another person if designated by the insured, prior to cancellation of a Medicare

1 supplement policy or certificate for nonpayment of premiums, and to provide restrictions
2 on cancellation when an insured person is 65 years of age or older. The rules may
3 include, but are not limited to, definitions, minimum disclosure requirements, notice
4 provisions and cancellation restrictions. Rules adopted pursuant to this section are routine
5 technical rules as defined in Title 5, chapter 375, subchapter 2-A. The requirements of
6 this section apply to all policies and certificates executed, delivered, issued for delivery,
7 continued or renewed in this State.

8 **Sec. 5. 24-A MRSA §5058** is enacted to read:

9 **§5058. Notification prior to cancellation**

10 The superintendent shall adopt rules to provide for notification of the insured person,
11 and another person if designated by the insured, prior to cancellation of a long-term care
12 policy or certificate for nonpayment of premiums, and to provide restrictions on
13 cancellation when an insured person is 65 years of age or older. The rules may include,
14 but are not limited to, definitions, minimum disclosure requirements, notice provisions
15 and cancellation restrictions. Rules adopted pursuant to this section are routine technical
16 rules as defined in Title 5, chapter 375, subchapter 2-A. The requirements of this section
17 apply to all policies and certificates executed, delivered, issued for delivery, continued or
18 renewed in this State.

19 **Sec. 6. 24-A MRSA §5082** is enacted to read:

20 **§5082. Notification prior to cancellation**

21 The superintendent shall adopt rules to provide for notification of the insured person,
22 and another person if designated by the insured, prior to cancellation of a long-term care
23 insurance policy or certificate for nonpayment of premiums, and to provide restrictions
24 on cancellation when an insured person is 65 years of age or older. The rules may
25 include, but are not limited to, definitions, minimum disclosure requirements, notice
26 provisions and cancellation restrictions. Rules adopted pursuant to this section are
27 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. The
28 requirements of this section apply to all policies and certificates executed, delivered,
29 issued for delivery, continued or renewed in this State.

30 **Sec. 7. Rulemaking.** The Superintendent of Insurance within the Department of
31 Professional and Financial Regulation shall adopt rules as required by this Act before
32 January 1, 2012.

33 **SUMMARY**

34 This bill permits insured persons 65 years of age or older to designate a 3rd party to
35 also receive notice of cancellation of health insurance, Medicare supplement, life
36 insurance and long-term care insurance policies.