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Public Law
123rd Legislature
First Regular Session

Chapter 40
S.P. 46 - L.D. 138

**An Act To Require Prior Notice before Cancellation of
a Life Insurance Policy for Nonpayment of Premiums**

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

Sec. 1. 24-A MRSA §2556 is enacted to read:

§ 2556. Notification prior to lapse or termination

1. Notice to 3rd party. An individual life insurance policy that has been in force for at least one year may not be terminated for nonpayment of premium unless, at least 21 days prior to the expiration of the grace period, the insurer has mailed a notice of cancellation to the policyholder and any 3rd party designated by the policyholder by name and address in writing. The bureau shall adopt rules to implement the notice requirements under this subsection.

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

3. Rulemaking. The rules adopted pursuant to this section apply to all life insurance policies and riders delivered or issued for delivery, continued or renewed in this State. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Effective September 20, 2007