



General Assembly

Amendment

January Session, 2013

LCO No. 5659

SB0095905659SR0

Offered by:
SEN. KELLY, 21st Dist.

To: Senate Bill No. 959

File No. 117

Cal. No. 146

"AN ACT CONCERNING THE GRACE PERIOD FOR LIFE INSURANCE POLICIES AND DESIGNATION OF THIRD PARTIES TO RECEIVE CANCELLATION NOTICES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 38a-430 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2013*):

5 (a) No life insurance policy or annuity [policy or] contract shall be
6 delivered or issued for delivery to any person in this state, nor shall
7 any application, rider or endorsement be used in connection therewith,
8 until a copy of the form thereof shall have been filed with and
9 approved by the commissioner. The commissioner shall adopt
10 regulations, in accordance with the provisions of chapter 54,
11 establishing a procedure for review of such policies and contracts. The
12 commissioner shall issue an order disapproving the use of any such
13 form at any time if it does not comply with the requirements of law, or
14 if it contains a provision or provisions that are unfair or deceptive or

15 that encourage misrepresentation of the policy. The commissioner
16 shall specify the reason for the commissioner's disapproval. The
17 provisions of section 38a-19 shall apply to any such order issued by the
18 commissioner.

19 (b) (1) Each insurer that delivers, issues for delivery or renews a life
20 insurance policy on or after October 1, 2013, in this state shall include
21 with the policy a conspicuous statement specifying that the insured
22 may designate a third party to receive notice of cancellation of the
23 policy based on nonpayment of premium. The statement shall include
24 a designation form and mailing address the insured may use to
25 designate a third party. Such statement shall be in a form approved by
26 the Insurance Commissioner.

27 (2) No designation form shall be effective unless it contains a
28 written acceptance by the third party designee to receive copies of
29 notices of cancellation from the insurer on behalf of the insured. The
30 third party designation shall be effective not later than ten business
31 days after the date the insurer receives the designation form and the
32 acceptance of the third party. The third party may terminate the status
33 as a third party designee by providing written notice to both the
34 insurer and the insured. The insured may terminate the third party
35 designation by providing written notice to the insurer and the third
36 party designee. The insurer may require the insured and the third
37 party to send the notices to the insurer by certified mail, return receipt
38 requested.

39 (3) The insurer's transmission to the third party designee of a copy
40 of a notice of cancellation based on nonpayment of premium shall be
41 in addition to the transmission of the original document to the insured.
42 When a third party is so designated all such notices and copies shall be
43 mailed in an envelope clearly marked on its face with the following:
44 "IMPORTANT INSURANCE POLICY INFORMATION: OPEN
45 IMMEDIATELY". The copy of the notice of cancellation transmitted to
46 the third party shall be governed by the same law and policy
47 provisions that govern the notice being transmitted to the insured. The

48 designation of a third party shall not constitute acceptance of any
 49 liability on the part of the third party or insurer for services provided
 50 to the insured.

51 [(b)] (c) Nothing in this chapter shall preclude the issuance of a life
 52 insurance [contract] policy including, but not limited to, a long-term
 53 care policy as provided in section 38a-458, that includes an optional
 54 health insurance rider, provided the optional health insurance rider is
 55 filed with and approved by the Insurance Commissioner pursuant to
 56 section 38a-481. Any company offering such policies for sale in this
 57 state shall be licensed to sell health insurance in this state pursuant to
 58 the provisions of section 38a-41."

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	38a-430