



General Assembly

**Amendment**

January Session, 2013

LCO No. 6993

**\*SB0095906993SD0\***

Offered by:

SEN. CRISCO, 17<sup>th</sup> Dist.

SEN. KELLY, 21<sup>st</sup> Dist.

REP. MEGNA, 97<sup>th</sup> Dist.

REP. SAMPSON, 80<sup>th</sup> 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. (NEW) (*Effective January 1, 2014*) (a) Each insurer that  
4 delivers or issues for delivery an individual life insurance policy on or  
5 after January 1, 2014, in this state shall notify an applicant, in writing at  
6 the time of application for such policy, of such applicant's right to  
7 designate a third party to receive notice of cancellation of the policy  
8 based on nonpayment of premium. The applicant may make such  
9 designation at the time of application for such policy or at any time  
10 such policy is in force, and any policyholder of an individual life  
11 insurance policy continued in this state on or after January 1, 2014,  
12 may make such designation at any time such policy is in force. Such

13 designation shall be made on a form provided by the insurer and shall  
14 contain the name and address of the third party designee.

15 (b) The insurer's transmission to the third party designee of a copy  
16 of a notice of cancellation based on nonpayment of premium shall be  
17 in addition to the transmission of the original document to the  
18 policyholder. The copy of the notice of cancellation transmitted to the  
19 third party shall be governed by the same law and policy provisions  
20 that govern the notice being transmitted to the policyholder. The  
21 designation of a third party shall not constitute acceptance of any  
22 liability on the part of the third party or insurer for services provided  
23 to the policyholder."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2014</i>	New section