



General Assembly

Substitute Bill No. 201

February Session, 2014



AN ACT CONCERNING CANCELLATION NOTICES OF INDIVIDUAL LIFE INSURANCE POLICIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2015*) (a) Each insurer that
2 delivers or issues for delivery an individual life insurance policy in this
3 state on or after January 1, 2015, shall notify an applicant, in writing at
4 the time of application for such policy, of such applicant's right to
5 designate a third party to receive notice of cancellation of the policy
6 based on nonpayment of premium. The applicant may make such
7 designation at the time of application for such policy or at any time
8 such policy is in force, by submitting a written notice to the insurer
9 containing the name and address of the third-party designee.

10 (b) The insurer's transmission to the third-party designee of a copy
11 of a notice of cancellation based on nonpayment of premium shall be
12 in addition to the transmission of the original document to the
13 policyholder. The copy of the notice of cancellation transmitted to the
14 third party shall be governed by the same law and policy provisions
15 that govern the notice being transmitted to the policyholder.

16 (c) The designation of a third party shall not constitute acceptance of
17 any liability on the part of the third party or insurer for services
18 provided to the policyholder.

This act shall take effect as follows and shall amend the following sections:

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|-----------|------------------------|-------------|
| Section 1 | <i>January 1, 2015</i> | New section |
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INS *Joint Favorable Subst.*