
OLR Bill Analysis**sSB 201*****AN ACT CONCERNING CANCELLATION NOTICES OF INDIVIDUAL LIFE INSURANCE POLICIES.*****SUMMARY:**

This bill requires, beginning January 1, 2015, that insurers delivering or issuing individual life insurance policies in Connecticut notify each life insurance applicant of his or her right to designate a third party to receive policy cancellation notices due to premium nonpayment. Insurers must notify applicants of this right (1) in writing and (2) when the applicant applies for the policy. An applicant may make a designation when applying for insurance or at any time the insurance is in force by giving written notice to the insurer with the third party's name and address.

Under the bill, a third-party designee must receive a copy of an original cancellation notice issued to the policyholder. The copy is subject to the same law and policy provisions as the notice.

The bill specifies that the third-party designation does not, in and of itself, make the third party or insurer liable for services given to the policyholder.

EFFECTIVE DATE: January 1, 2015

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/06/2014)