

§2856. Term of insurance

1. The term of credit life insurance or credit health insurance shall, subject to acceptance by the insurer, commence on the date when the debtor becomes obligated to the creditor; except that where a group policy provides coverage with respect to existing obligations, the insurance on a debtor with respect to such indebtedness shall commence on the effective date of the policy.

[PL 1969, c. 132, §1 (NEW).]

2. Where evidence of insurability is required and such evidence is furnished more than 30 days after the date when the debtor becomes obligated to the creditor, the term of the insurance may commence on the date on which the insurer determines the evidence to be satisfactory, and in such event there shall be an appropriate refund or adjustment of any charge to the debtor for insurance.

[PL 1969, c. 132, §1 (NEW).]

3. The term of such insurance shall not extend more than 15 days beyond the original or revised scheduled maturity date of the indebtedness, except when extended without additional cost to the debtor.

[PL 1969, c. 132, §1 (NEW).]

4. If the indebtedness is discharged due to renewal or refinancing prior to the scheduled maturity date, the insurance in force shall be terminated before any new insurance may be issued in connection with the renewed or refinanced indebtedness. In all cases of termination prior to scheduled maturity, a refund shall be paid or credited as provided in section 2859.

[PL 1969, c. 132, §1 (NEW).]

5. For credit involuntary unemployment insurance, benefits must start after a waiting period of not longer than 30 days but need not be retroactive to the first day of unemployment and must have a maximum benefit period of at least 6 months.

[PL 2001, c. 138, §9 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 2001, c. 138, §9 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through October 15, 2024. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.