



130th MAINE LEGISLATURE

SECOND REGULAR SESSION-2022

Legislative Document

No. 1752

S.P. 611

In Senate, December 2, 2021

An Act To Provide Insurance Coverage for a Beneficiary on a Transfer on Death Deed

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on November 30, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BAILEY of York.
Cosponsored by Senator: SANBORN of Cumberland.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** after a homeowner’s death it can take time to reinstate an insurance policy
4 on real property; and

5 **Whereas,** continuity of homeowner’s insurance coverage after the homeowner’s
6 death is critical to protecting the assets of an estate and the interests of the beneficiaries;
7 and

8 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
9 the meaning of the Constitution of Maine and require the following legislation as
10 immediately necessary for the preservation of the public peace, health and safety; now,
11 therefore,

12 **Be it enacted by the People of the State of Maine as follows:**

13 **Sec. 1. 24-A MRSA §3044** is enacted to read:

14 **§3044. Transfer on death deed; provision and cancellation of property insurance**

15 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
16 following terms have the following meanings.

17 A. “Designated beneficiary” has the same meaning as in Title 18-C, section 6-402,
18 subsection 2.

19 B. “Insurable interest” has the same meaning as in section 2406, subsection 2.

20 C. “Transfer on death deed” has the same meaning as in Title 18-C, section 6-402,
21 subsection 6.

22 D. “Transferor” has the same meaning as in Title 18-C, section 6-402, subsection 7.

23 **2. Policy to include designated beneficiary.** Notwithstanding any provision of law
24 to the contrary, an insurer shall include as a named insured on a contract of property
25 insurance a designated beneficiary for a property for which the designated beneficiary has
26 been named on a transfer on death deed. The designated beneficiary has an insurable
27 interest in the property only after the death of the transferor. The insurer may not cancel
28 the contract for at least 30 days after the death of the transferor.

29 **Emergency clause.** In view of the emergency cited in the preamble, this legislation
30 takes effect when approved.

31 **SUMMARY**

32 This bill requires a property insurance insurer to include as a named insured on a
33 contract of property insurance a designated beneficiary for a property for which the
34 designated beneficiary has been named on a transfer on death deed. It provides that the
35 insurer may not cancel the contract for at least 30 days after the death of the transferor of
36 the property and provides that the designated beneficiary does not have an insurable interest
37 in the property until after the transferor’s death.