

§2420. Assignability; rights of insurer, assignee

1. A policy may be assignable or not assignable, as provided or permitted by its terms.
[PL 1969, c. 132, §1 (NEW).]

2. Subject to its terms relating to assignability, a life or health insurance policy, whether heretofore or hereafter issued, under the terms of which the beneficiary may be changed upon the sole request of the insured or owner, may be assigned either by pledge or transfer of title, by an assignment executed by the insured or owner alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer.
[PL 1969, c. 132, §1 (NEW).]

3. Any assignment of a policy which is otherwise lawful and of which the insurer has received notice, shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its home office written notice of termination of the assignment or pledge, or written notice by or on behalf of some other person claiming some interest in the policy in conflict with the assignment.
[PL 1969, c. 132, §1 (NEW).]

3-A. Upon receiving notice of a revocation of an assignment of a life insurance policy pursuant to this section, an insurer shall notify the assignee of the policy that the insured or owner has revoked the assignment. The insurer shall also notify the assignee if any cash value of the policy has been distributed at the time of revocation. Notice must be sent to the assignee within 30 days. An insurer is deemed to have complied with this subsection if that insurer has mailed notice by first class mail to the last known mailing address of the assignee.
[PL 2003, c. 109, §1 (NEW).]

4. Any individual insured under a group insurance policy or group annuity contract has the right, unless expressly prohibited under the terms of the policy or contract, to assign to any other person the individual's rights and benefits under the policy or contract, including, but not limited to, the right to designate the beneficiary or beneficiaries and the rights as to conversion provided for in sections 2621 to 2625, and, subject to the terms of the policy relating to assignments thereunder, any such assignment, made either before or after January 2, 1970, is valid for the purpose of vesting in the assignee all such rights and benefits so assigned. While the assignment is in effect, and whether heretofore or hereafter made, the insurer is entitled to deal with the assignee as the owner of such rights and benefits in accordance with the terms of the assignment; but without prejudice to the insurer on account of any lawful action taken or payment made by it prior to receipt by it at its home office of written notice of the assignment or of the termination thereof.
[RR 2021, c. 1, Pt. B, §216 (COR).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1969, c. 177, §39 (AMD). PL 1973, c. 625, §143 (AMD). PL 2003, c. 109, §1 (AMD). RR 2021, c. 1, Pt. B, §216 (COR).

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