

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTH LEGISLATURE

FIRST REGULAR SESSION

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PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED AT THE
FIRST REGULAR SESSION
of the
ONE HUNDRED AND EIGHTH LEGISLATURE
1977

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

24-A MRSA § 1523, sub-§ 2, as amended by PL 1973, c. 585, § 12, is repealed and the following enacted in its place:

2. The superintendent shall make examinations available to applicants at least once a month in Augusta.

Effective October 24, 1977

CHAPTER 261

AN ACT to Authorize the University of Maine to Execute a Charitable Gift Annuity with a Donor.

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

Sec. 1. 24-A MRSA § 2501, as last amended by PL 1973, c. 560, § 2, is further amended by adding at the end the following new sentence:

No provision of this chapter shall apply to annuity agreements executed under chapter 30.

Sec. 2. 24-A MRSA c. 30 is enacted to read:

CHAPTER 30

ANNUITY AGREEMENTS WITH THE UNIVERSITY OF MAINE

§ 2571. Eligibility

The University of Maine may receive transfers of property, conditioned upon its agreement to pay an annuity to the transferer or his nominee, after obtaining from the superintendent a certificate of authority to do so.

§ 2572. Certificate of authority

The University of Maine, hereafter in this chapter called the "university," shall not transact in this State the business described in this chapter without first procuring a certificate of authority from the superintendent for that purpose. Application for this certificate shall be made on a form prescribed by the commissioner accompanied by a filing fee of \$25. This certificate shall not be granted until the university conforms to the requirements of this chapter and the laws of this State prerequisite to its issue. After its issue the university shall continue to comply with the requirements of this chapter and the laws of this State. Where a hearing is held under this section the proceedings shall be conducted in accordance with chapter 3 and the superintendent shall have all of the powers granted in that chapter.

Subject to the annual fee provisions of this section, every certificate of authority issued or held under this chapter shall be for an indefinite term and, unless sooner revoked by the superintendent, shall terminate upon occurrence of any of the following :

1. Cessation of existence. Upon the university's ceasing to exist as a separate entity;
2. Dissolution. Upon the winding up, dissolution, expiration or forfeiture of the corporate existence of the university;
3. Surrender of certificate. In any event upon surrender by the university of its certificate of authority and cancellation of that certificate by the superintendent.

The superintendent shall not cancel a surrendered certificate of authority until he is satisfied by examination, or otherwise, that the university has discharged its annuity liabilities to residents of this State or satisfactorily reinsured those liabilities.

Notwithstanding the preceding provisions for a certificate of authority of indefinite term, if the university holds a certificate of authority under this chapter, it shall owe and pay in advance to the superintendent an annual fee of \$25 on account of that certificate of authority until its final termination or revocation. This fee shall be for annual periods commencing on July 1st of each year and ending on June 30th of each year, shall be due on each March 1st and, if not paid, shall be delinquent on and after each April 1st.

§ 2573. Reserve requirements

Upon granting to the university a certificate of authority to receive transfers of property, the superintendent shall require it to establish and maintain a reserve fund adequate to meet the future payments under its outstanding contracts including a surplus of 10%, and in any event, not less than an amount computed in accordance with the 1971 Individual Annuity Table or any modification thereof, or such other table of mortality derived from recent annuity experience and with such interest assumption as may be authorized by the Superintendent of Insurance. Such fund shall be invested in the federally insured savings accounts of banks, United States Government securities or bonds with a rating of AAA or better.

For any failure on the part of the university to establish and maintain this reserve fund, the superintendent shall revoke its certificate of authority.

§ 2574. Filing of agency agreements

The university shall, before making any agreement, file with the Superintendent of Insurance copies of its forms of agreements with annuitants and a schedule of its maximum annuity rates which shall be computed on the basis of the annuity standard adopted by it for the calculation of its reserves, as to return to the university upon the death of the annuitant a residue at least equal to $\frac{1}{2}$ the original gift or other consideration for such annuity.

§ 2575. Required contents of annuity agreement

An annuity agreement shall show:

1. Property transferred. The value of the property transferred;
2. Amount of annuity. The amount of annuity agreed to be paid to the transferer or his nominee;
3. Manner of payments. The manner in which, and the intervals at which, the annuity is to be paid;
4. Age of recipient. The age, in years, at or nearest the date of the agreement, of the person during whose life the annuity is to be paid;

§ 2576. Reinsurance

The university, if it holds a certificate of authority under this chapter, shall reinsure its total liability under an annuity agreement, as defined in section 2575, with an admitted insurer for a single premium. In this event, the university may take credit for the reinsurance in reduction of the amount of the reserve fund it is required to maintain under the provisions of section 2573.

§ 2577. Examinations

The Superintendent of Insurance shall cause to be examined the reserve fund every 3 years and provide the university with a written report of the financial status of such fund. This shall be done at the expense of the fund.

§ 2578. Exemptions

Except as prescribed in this chapter, if the university holds a certificate under section 2572, it shall be otherwise exempt from the provisions of this Title and other insurance laws of this State, except the provisions of chapters 1 and 3 and chapter 57, subchapters I and II.

Effective October 24, 1977

CHAPTER 262

AN ACT to Establish Chester Greenwood Day.

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

1 MRSA § 117 is enacted to read:

§ 117. Chester Greenwood Day

December 21st of each year shall be designated as Chester Greenwood Day and the Governor shall annually issue a proclamation inviting and urging the