

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1475

S. P. 547

In Senate, March 22, 1963

Reported by Majority from Committee on Business Legislation and printed under Joint Rules No. 10.

CHESTER T. WINSLOW, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT Relating to Group Life Insurance for Credit Union.

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

Sec. 1. R. S., c. 60, § 164, sub-§ VII, repealed and replaced. Subsection VII of section 164 of chapter 60 of the Revised Statutes, as repealed and replaced by chapter 154 of the public laws of 1957, is repealed and the following enacted in place thereof:

‘VII. Policy issued to a credit union. A policy issued to a single credit union, or to a trustee or trustees or agent designated by 2 or more credit unions, which credit union, trustee, trustees or agent shall be deemed the policyholder, to insure members of the credit union or credit unions to the extent of each insured member’s share in any such union, for the benefit of persons other than the credit union or credit unions or its officials, representatives or agents, subject to the following requirements:

A. The members eligible for insurance under the policy shall be all of the members of the single credit union or all of the members of the 2 or more credit unions, or all of any class or classes thereof determined by conditions pertaining to their membership in the credit union or credit unions, or both.

B. The premium for the policy shall be paid by the policy-holder, either wholly from the credit union’s funds, or the credit unions’ funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which part of the premium is to be derived from funds contributed by the insured members specifically

for their insurance may be placed in force only if at least 75% of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

C. The policy must cover at least 25 members at date of issue.

D. The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured members or by the policyholder.'

Sec. 2. R. S., c. 60, § 164, sub-§ VIII, additional. Section 164 of chapter 60 of the Revised Statutes, as last repealed and replaced by chapter 154 of the public laws of 1957, is amended by adding a new subsection VIII, to read as follows:

'VII. Limitations. No such policy of group life insurance may be issued to an employer, or labor union or to the trustees of a fund established in whole or in part by an employer or a labor union, which provides term insurance on any person which, together with any other term insurance under any group life insurance policy or policies issued to the employer or employers of such person or to a labor union or labor unions of which such person is a member or to the trustees of a fund or funds established in whole or in part by such employer or employers or such labor union or labor unions, exceeds \$20,000, unless 150% of the annual compensation of such person from his employer or employers exceeds \$20,000, in which event all such term insurance shall not exceed \$40,000 or 150% of such annual compensation, whichever is the lesser.'