

# MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 1960

H. P. 1518

House of Representatives, January 24, 1972

The Committee on Veterans and Retirements suggested.

BERTHA W. JOHNSON, Clerk

Presented by Mrs. Lincoln of Bethel.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-TWO

AN ACT to Revise and Clarify Laws Relating to Group Life Insurance  
Under Maine State Retirement System.

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

**Sec. 1. R. S., T. 5, § 1151, sub-§ 2, ¶ A, amended.** The last 2 sentences of paragraph A of subsection 2 of section 1151 of Title 5 of the Revised Statutes, as last repealed and replaced by section 14 of chapter 544 of the public laws of 1967, are amended to read as follows:

The board of trustees may ~~upon recommendation of the advisory council~~ permit eligible state employees or teachers or Justices of the Supreme Judicial Court or Justices of the Superior Court or Judges of the District Court to purchase up to double the amounts shown in Table A; provided that any additional life insurance coverage authorized shall be in force only during the active service of the state employee or teacher or Justices of the Supreme Judicial Court or Justices of the Superior Court or Judges of the District Court and upon retirement the maximum coverage shall be in accordance with Table A and subject to subsection 9, paragraph A. The board of trustees ~~in consultation with the Advisory Council on Group Insurance~~ shall by regulation prescribe the conditions of eligibility for this additional insurance.

**Sec. 2. R. S., T. 5, § 1151, sub-§ 2, amended.** The last paragraph of subsection 2 of section 1151 of Title 5 of the Revised Statutes, as enacted by section 1 of chapter 411 of the public laws of 1967 and as amended by section 16 of chapter 544 of the public laws of 1967, is further amended to read as follows:

The board of trustees ~~upon recommendation of the Advisory Council on Group Insurance~~ may purchase through the payment of a single premium

on behalf of eligible state employees and teachers and Justices of the Supreme Judicial Court and Justices of the Superior Court and Judges of the District Court paid-up life insurance to be effective in a prescribed level amount upon retirement for reasons other than occupational disability. The board of trustees ~~with the approval of the Advisory Council on Group Insurance~~ shall by regulation prescribe the conditions of eligibility for and the annual level amount of this additional paid-up life insurance.

**Sec. 3. R. S., T. 5, § 1151, sub-§ 7, amended.** The last paragraph of subsection 7 of section 1151 of Title 5 of the Revised Statutes, as enacted by section 2 of chapter 411 of the public laws of 1967 and as amended by section 17 of chapter 544 of the public laws of 1967, is further amended to read as follows:

Anything to the contrary notwithstanding, any dividends, premium rate adjustments or accumulations developed for any reason shall be used either to reduce or eliminate any contribution otherwise required from the Unappropriated Surplus of the General Fund or to increase benefits to state employees and teachers and Justices of the Supreme Judicial Court and Justices of the Superior Court and Judges of the District Court, as the board of trustees ~~and the Advisory Council on Group Life Insurance in their sole discretion~~ shall order by means of uniform regulations necessary to implement such usage or usages.

The board of trustees is authorized to use any dividends, premium rate adjustments, returns of premium, or any other accumulations of funds derived from the basic group life insurance to pay the premium for retired state employees and teachers to the extent made possible by such accumulations.

Each year upon receipt of the annual report submitted by the underwriter, the board of trustees shall review all phases of the additional or supplemental group life insurance and shall, within 90 days of receipt, determine the method by which such accumulations shall be distributed and shall set the effective date and the percentage rate to be granted as additional payments to the beneficiaries of those who had held the supplemental coverage for one year or more.

**Sec. 4. R. S., T. 5, § 1151, sub-§ 9, ¶ A, amended.** The first paragraph of paragraph A of subsection 9 of section 1151 of Title 5 of the Revised Statutes, as amended by section 1 of chapter 34 of the public laws of 1965, is further amended to read as follows:

On retirement for reasons other than occupational disability, the average amount of insurance in force for the last ~~5~~ 3 years prior to retirement shall be continued in force at no cost to the state employee or teacher, provided that he has participated in the group life insurance program for a minimum of 10 years immediately prior to retirement. Said average amount shall be reduced at the rate of 15% per year to a minimum of 25% of said average amount, and the maximum amount of insurance in force on a retired member after attaining age 70 shall be 25% of the average amount of insurance in force for the last ~~5~~ 3 years prior to retirement.

**Sec. 5. R. S., T. 5, § 1151, sub-§ 9, amended.** The last paragraph of subsection 9 of section 1151 of Title 5 of the Revised Statutes, as enacted by section 3 of chapter 411 of the public laws of 1967, is repealed and the following enacted in place thereof:

**Any insured person who is retired and is living on the date this Act becomes effective shall be entitled to a recomputation of insurance on the 3-year basis and which recomputation shall also be reduced equivalently from date of retirement in accordance with the procedure detailed in paragraphs A and B.**

**Sec. 6. R. S., T. 5, § 1152, sub-§ 2, repealed.** Subsection 2 of section 1152 of Title 5 of the Revised Statutes is repealed.

**Sec. 7. R. S., T. 5, § 1152, sub-§ 3, repealed and replaced.** Subsection 3 of section 1152 of Title 5 of the Revised Statutes is repealed and the following enacted in place thereof:

**3. The board of trustees shall have the authority to renegotiate existing agreements or may solicit proposals from one or more underwriters on a competitive basis and may employ such professional counsel or other expert assistance as is deemed necessary to accomplish its purpose.**

#### STATEMENT OF FACT

The purpose of this bill is reflected in the title.