

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-550)
109TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 726, L.D. 913, Bill, "AN ACT to Amend the Standard Nonforfeiture Law."

Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 24-A MRSA §2528, as enacted by PL 1969, c. 132, §1, is amended to read:

§2528. Short title

Sections 2528 to 2534 shall be known as the "Standard Nonforfeiture Law for Life Insurance."

Further amend the bill in section 2 by striking out all of subsection 5 and inserting in its place the following:

'5. In the case of policies issued on or after January 1, 1980, adjusted premiums and present values for any category of ordinary insurance issued on female risks may be calculated according to an age not more than 6 years younger than the actual age of the insured. All calculations for all policies of ordinary and industrial insurance shall be made on the basis of the rate of interest specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that the rate of interest shall not exceed 5 1/2% per year.'

Further amend the bill in section 3 in that part designated "§2543" in subsection 1 by striking out all of the first paragraph and inserting in its place the following:

'In the case of contracts issued on or after January 1, 1980, no contract of annuity, except as stated in section 2542, shall be delivered in this State unless it contains in substance the following provisions, or corresponding provisions which in the opinion of the superintendent are at least as favorable to the contract holder, upon cessation of payment of considerations under the contract:'

Further amend the bill in section 3 in that part designated "§2547" in the first sentence 11th line (9th in L.D.) by striking ^{after} out/the underlined words "and increased by" the underlined word "an"

Further amend the bill in section 3 in that part designated "§2551." by striking out all of the first sentence and inserting in its place the following:

'For any contract which provides, within the same contract by rider or supplemental contract provision, both annuity benefits and life insurance benefits that are in excess of the greater of cash surrender benefits or a return of the gross considerations with interest, the minimum nonforfeiture benefits shall be equal to the sum of the minimum nonforfeiture benefits for the annuity portion and the minimum nonforfeiture benefits, if any, for the life insurance portion computed as if each portion were a separate contract'

Statement of Fact

This amendment makes necessary technical but non substantive changes to the bill.

Reported by the Committee on Business Legislation
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