

# MAINE STATE LEGISLATURE

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(AFTER DEADLINE)  
SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2142

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H.P. 1571 House of Representatives, January 26, 1988  
Approved for introduction by a majority of the  
Legislative Council pursuant to Joint Rule 27.  
Reference to the Committee on Banking and Insurance  
suggested and ordered printed.

EDWIN H. PERT, Clerk  
Presented by Representative PARADIS of Augusta.  
Cosponsored by Speaker MARTIN of Eagle Lake, Senators  
BUSTIN of Kennebec and COLLINS of Aroostook.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-EIGHT

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1                   **AN ACT** Relating to Nonforfeiture and  
2                   **Valuation Standards for Fraternal Benefit**  
3                   **Societies.**  
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5    Be it enacted by the People of the State of Maine as  
6    follows:

7           **Sec. 1.**    24-A MRSa §4116, 2nd and last ¶¶, as  
8    enacted by PL 1969, c. 132, §1, are amended to read:

1 In the case of certificates other than those for  
2 which reserves are computed on the Commissioners 1941  
3 Standard Ordinary Mortality Table, the Commissioners  
4 1941 Standard Industrial Table or, the  
5 Commissioners 1958 Standard Ordinary Mortality Table,  
6 or such later tables as authorized for use by domestic  
7 life insurers, the value of every paid-up  
8 nonforfeiture benefit and the amount of any cash  
9 surrender value, loan or other option granted shall  
10 not be less than the excess, if any, of 1 over 2 as  
11 follows:

12 In the case of certificates for which reserves are  
13 computed on the Commissioners 1941 Standard Ordinary  
14 Mortality Table, the Commissioners 1941 Standard  
15 Industrial Table or, the Commissioners 1958  
16 Standard Ordinary Mortality Table, or such later  
17 tables as authorized for use by domestic life  
18 insurers, every paid-up nonforfeiture benefit and the  
19 amount of any cash surrender value, loan or other  
20 option granted shall not be less than the  
21 corresponding amount ascertained in accordance with  
22 the provisions of the laws of this State applicable to  
23 life insurers issuing policies containing like  
24 insurance benefits based upon such tables.

25 **Sec. 2.** 24-A MRSA §4134, sub-§6, ¶B, as amended  
26 by PL 1973, c. 625, §158, is further amended to read:

27 B. The minimum standard of valuation for  
28 certificates issued after January 1, 1970 shall be  
29 such interest assumptions and tables as authorized  
30 for use by domestic life insurers or 3 1/2%  
31 interest and the following tables:

32 (1) For certificates of life insurance:  
33 American Men Ultimate Table of Mortality,  
34 with Bowerman's or Davis' extension thereof  
35 or with the consent of the superintendent,  
36 the Commissioners 1941 Standard Ordinary  
37 Mortality Table, the Commissioners 1941  
38 Standard Industrial Mortality Table or the  
39 Commissioners 1958 Standard Ordinary  
40 Mortality Table, using actual age of the  
41 insured for male risks and an age more than 3

1 years younger than the actual age of the  
2 insured for female risks;

3 (2) For annuity and pure endowment  
4 certificates, excluding any disability and  
5 accidental death benefits in such  
6 certificates: The 1937 Standard Annuity  
7 Mortality Table or the Annuity Mortality  
8 Table for 1949, ultimate, or any modification  
9 of either of these tables approved by the  
10 superintendent;

11 (3) For total and permanent disability  
12 benefits in or supplementary to life  
13 insurance certificates: Hunter's Disability  
14 Table, or the class III disability table  
15 (1926) modified to conform to the contractual  
16 waiting period, or the tables of period 2  
17 disablement rates and the 1930 to 1950  
18 termination rates of the 1952 disability  
19 study of the Society of Actuaries with due  
20 regard to the type of benefit. Any such  
21 table shall, for active lives, be combined  
22 with a mortality table permitted for  
23 calculating the reserves for life insurance  
24 certificates;

25 (4) For accidental death benefits in or  
26 supplementary to life insurance certificates:  
27 The Inter-company Double Indemnity Mortality  
28 Table or the 1959 Accidental Death Benefits  
29 Table. Either table shall be combined with a  
30 mortality table permitted for calculating the  
31 reserves for life insurance certificates; and

32 (5) For noncancellable accident and health  
33 benefits: The class III disability table  
34 (1926) with conference modifications or, with  
35 the consent of the superintendent, tables  
36 based upon the society's own experience.

37 STATEMENT OF FACT

38 This bill clarifies the provisions on

1 nonforfeiture and valuation standards applicable to  
2 fraternal organizations by allowing the use of current  
3 mortality tables as used by domestic life insurers.

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