

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 760,
L.D. 1954, Bill, "An Act Correcting Errors and Inconsistencies in
the Laws of Maine"

Amend the amendment in part C by inserting before section
C-1 the following:

Sec. C-1. 24-A MRSA §2404, sub-§3, ¶C, as amended by PL 1989,
c. 353, §1, is further amended to read:

C. An individual party to a contract or option for the
purchase or sale of an interest in a business
proprietorship, partnership or firm, or of shares of stock
of a closed corporation or of an interest in these shares,
has an insurable interest in the life, body and health of
each individual party to that contract and for the purposes
of that contract only, in addition to any insurable interest
which may otherwise exist as to that individual; and

Sec. C-2. 24-A MRSA §2404, sub-§3, ¶D, as enacted by PL 1989,
c. 353, §2, is amended to read:

D. A corporation has an insurable interest in the lives of
its employees, former employees and retirees for the purpose
of funding, in the aggregate, all or part of the
corporation's cost for preretirement and postretirement
medical, death, disability and pension benefits to its
employees, former employees, retirees or their
beneficiaries, provided that an insurance program used to
finance these employee benefits includes former employees,
retirees or a broad class of employees selected by objective
standards related to age, service, sex or category of
employment and that the proceeds created by that insurance
program are used for the sole purpose of funding the
corporations's preretirement or postretirement benefit
programs; and

2 Sec. C-3. 24-A MRSA §2404, sub-§3, ¶E is enacted to read:

4 E. Any revocable or irrevocable trust has an insurable
6 interest, provided any beneficiary of the trust has an
insurable interest as provided in paragraph A or B.'

8 Further amend the amendment by renumbering the sections to
10 read consecutively.

12 STATEMENT OF FACT

14 This amendment amends the Maine Revised Statutes, Title 24-A
16 section 2404, subsection 3. The amendment is intended to clarify
the definition of "insurable interest." The purpose of this
18 section is to recognize the long-standing practice under which
trusts apply for and hold life insurance policies on the lives of
family members.

Filed by Rep. Marsano of Belfast
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House
(6/26/91) (Filing No. H-698)