MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

SECOND REGULAR SESSION-1994

Legislative Document

No. 1635

H.P. 1216

House of Representatives, January 5, 1994

An Act to Authorize a Limited License to Permit Funeral Service Practitioners to Offer Additional Preneed Funeral Service Products.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26. Reference to the Committee on Banking and Insurance suggested and ordered printed.

OSEPH W. MAYO, Clerk

Presented by Representative ERWIN of Rumford. Cosponsored by Representative: KUTASI of Bridgton, Senators: BUSTIN of Kennebec, CARPENTER of York.

	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 24-A MRSA §1531, sub-\$1, ¶E, as amended by PL 1993, c.
4	322, §6, is further amended to read:
6	E. Allowing a director of a domestic mutual assessment fire insurance company to sell property insurance coverage
8	written by that company; er
10	Sec. 2. 24-A MRSA §1531, sub-§1, ¶F, as enacted by PL 1993, c. 322, §6, is amended to read:
12	
14	F. Covering only annuities. An individual who is licensed to sell annuities as well as other kinds of insurance under the Maine Insurance Code who is or becomes an employee of a
16	financial institution, credit union, financial institution
18	
20	deliver the license to the superintendent for reissuance without fee or charge as a limited license for the sale of
	annuities only <u>r; or</u>
22	Sec. 3. 24-A MRSA §1531, sub-§1, ¶G is enacted to read:
24	G. Covering only funeral service life insurance, as defined
26	in section 2562, subsection 1.
28	Sec. 4. 24-A MRSA $\S2176$, as amended by PL 1991, c. 885, Pt. E, $\S27$ and affected by $\S47$, is repealed.
30	Sec. 5. 24-A MRSA c. 29-A is enacted to read:
32	CITA DIMED 20 A
34	CHAPTER 29-A
36	FUNERAL SERVICE LIFE INSURANCE ACT
38	§2561. Short title
30	This chapter may be known and cited as the "Funeral Service
40	Life Insurance Act."
42	§2562. Definitions
44	As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.
46	1 Francis 186 Same Brancis 186
48	1. Funeral service life insurance. "Funeral service life insurance" means life insurance, as defined in chapters 29 and
50	31, used or intended to be used to fund an agreement between the

licensed for the practice of funeral service for advance payment of funeral services, as defined in Title 32, section 1400.

2. Funeral service life insurance agent. "Funeral service life insurance agent" means a person licensed for the practice of funeral service who is authorized or appointed by an insurer to receive applications for or negotiate the procurement of funeral service life insurance contracts on behalf of the insurer.

\$2563. License required

12 A person may not receive applications for or negotiate the procurement of funeral service life insurance unless licensed as a funeral service life insurance agent under section 1531, subsection 1, paragraph G.

Sec. 6. 32 MRSA §1401, first ¶, as amended by PL 1985, c. 240, is further amended to read:

moneys paid during a person's lifetime individual, firm, association, partnership or corporation, except for money paid for funeral service life insurance, by that person or by someone in his behalf under an agreement that services be performed or personal property be delivered in connection with the disposition of that person's body after his death shall be deposited by the payee within 10 days after receipt thereof in a separate account in a bank, trust company, credit union or savings institution in this State in the name of the payee as mortuary trustee for the person for whose benefit the payment was made and shall be held in that account together with interest if any thereon. Within 30 days after the deposit of funds by the payee, the bank, trust company, credit union or savings institution shall provide a written confirmation of the deposit, including the amount deposited, to the payor or his legal representative. Nothing in this section may be construed to prevent transfer of these funds to another such bank, trust company, credit union or savings institution by merger or consolidation or by operation of law provided that within 30 days after transfer of the funds, the bank, trust company, credit union or savings institution shall provide a written confirmation of the deposit, including the amount deposited, to the payor or his legal representative.

Sec. 7. 32 MRSA §1402, as amended by PL 1983, c. 413, §55, is repealed.

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	This bill provides for the granting of a limited life
6	insurance agent's license to funeral service practitioners to
	sell funeral service life insurance. Funeral service life
8	insurance would be an alternative available to fund an agreement
	between a consumer and a funeral service practitioner for advance
10	payment of funeral services. The bill also permits funeral
	service practitioners to advertise the availability of
12	prearranged funeral services funding alternatives. The Bureau of
	Insurance will provide oversight of the granting of the limited
14	licenses.
16	

This document has not yet been reviewed to determine the need for cross-reference, stylistic and other technical amendments to conform existing law to current drafting standards.