

# MAINE STATE LEGISLATURE

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L.D. 1930

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**BANKING AND INSURANCE**

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Reported by:

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

16

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COMMITTEE AMENDMENT "A " to S.P. 680, L.D. 1930, Bill, "An Act to Protect Beneficiaries of Structured Settlements"

20

22

Amend the bill by inserting after the enacting clause the following:

24

'Sec. 1. 24-A MRSA §601, sub-§25, is enacted to read:

26

25. Transferees of structured settlement payment rights. Transferees of structured settlement payment rights registration fees are:

28

30

A. Original issuance fee \$100; and

32

B. Annual renewal fee \$100.'

34

36

Further amend the bill in section 1 in that part designated "~~§2241.~~" in subsection 1 in the first line (page 1, line 14 in L.D.) by striking out the following: "Annuity insurer. "Annuity insurer" and inserting in its place the following: 'Annuity issuer. "Annuity issuer"'

38

40

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Further amend the bill in section 1 in that part designated "~~§2241.~~" by striking out all of subsection 8 (page 2, lines 43 to 47 in L.D.) and inserting in its place the following:

44

46

'8. Interested parties. "Interested parties" means the payee, any beneficiary designated under the annuity contract to receive payments following the payee's death and any other party

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that has continuing rights or obligations under the contract. For purposes of this chapter, "interested parties" does not include the structured settlement obligor or the annuity issuer.'

Further amend the bill in section 1 in that part designated "§2241." in subsection 16 in paragraph A in the first line (page 3, line 40 in L.D.) by inserting after the following: "payee" the following: ', structured settlement obligor, annuity issuer'

Further amend the bill in section 1 in that part designated "§2241." by inserting after subsection 19 the following:

'20. Transferee. "Transferee" means a person that becomes entitled to receive structured settlement payment rights as a result of a transfer agreement.'

Further amend the bill in section 1 by inserting after that part designated "§2241." the following:

'§2242. Notice and registration requirements of transferees of structured settlements

1. Notice. A transferee of structured settlement payment rights that intends to do business in this State shall, prior to doing business, pay the appropriate fee at the rate established in section 601 and furnish notice to the superintendent to:

- A. Identify the state in which the transferee is domiciled;
B. Identify the principal place of business of the group; and
C. Provide such other information as may be required by the superintendent.

2. Registration. The transferee shall register with the superintendent and designate an agent solely for the purpose of receiving service of legal documents or process.

3. Application of law. Any transferee that was doing business in this State prior to the effective date of this chapter within 30 days after the effective date of this chapter shall furnish notice to the superintendent pursuant to the requirements of subsection 1 and shall comply with the requirements of subsection 2.

4. Notice of change. A transferee that intends to do business or is doing business in this State shall notify the superintendent within 10 days of any subsequent changes in any information or other items provided pursuant to this section.'

2 Further amend the bill in section 1 in that part designated  
3 "~~§2242.~~" in subsection 2 by striking out all of paragraphs E and  
4 F (page 5, lines 44 to 48 and page 6 lines 1 to 29 in L.D.) and  
5 inserting in their place the following:

6 'E. If the transfer would contravene the terms of the  
7 structured settlement:

8  
9  
10 (1) The transfer has been expressly approved in  
11 writing by:

12 (a) Each interested party; and

13  
14 (b) Any court or government authority, other than  
15 the court or responsible administrative authority  
16 from which authorization of the transfer is sought  
17 under this chapter, that previously approved the  
18 structured settlement; and

19  
20 (2) Signed originals of all approvals required under  
21 subparagraph (1) have been filed with the court or  
22 responsible administrative authority from which  
23 authorization of the transfer is sought under this  
24 chapter and originals or copies have been furnished to  
25 all interested parties;

26  
27  
28 F. If the transfer would contravene the terms of the  
29 structured settlement, the transfer agreement does not have  
30 adverse tax consequences to the structured settlement  
31 obligor or annuity issuer. The structured settlement obligor  
32 or annuity issuer must demonstrate to the court or  
33 responsible administrative authority that the transfer  
34 agreement, if approved, will have adverse tax consequences;  
35 and

36  
37  
38 G. The transferee has given written notice of the  
39 transferee's name, address and taxpayer identification  
40 number to the annuity issuer and the structured settlement  
41 obligor and has filed a copy of that notice with the court  
42 or responsible administrative authority.'

43  
44 Further amend the bill in section 1 in that part designated  
45 "~~§2243.~~" in subsection 2 in the first paragraph in the 6th and  
46 7th lines (page 6, lines 42 and 43 in L.D.) by striking out the  
47 following: "settlement and all interested parties" and inserting  
48 in its place the following: 'settlement, all interested parties,  
49 the structured settlement obligor and annuity issuer'

50 Further amend the bill in section 1 in that part designated  
51 "~~§2243.~~" in subsection 2 in paragraph C in the 2nd line (page 7,

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2 line 2 in L.D.) by striking out the following: "2242" and  
inserting in its place the following: '2243'

4 Further amend the bill in section 1 in that part designated  
"§2243." in subsection 2 in paragraph D in the first line (page  
6 7, line 4 in L.D.) by inserting after the following: "party" the  
following: ', structured settlement obligor or annuity issuer'  
8

10 Further amend the bill in section 1 in that part designated  
"§2244." in subsection 2 in the last line (page 7, line 27 in  
L.D.) by striking out the following: "2242" and inserting in its  
12 place the following: '2243'

14 Further amend the bill in section 1 by renumbering the  
sections to read consecutively.  
16

18 Further amend the bill by relettering or renumbering any  
nonconsecutive Part letter or section number to read  
consecutively.  
20

22 Further amend the bill by inserting at the end before the  
summary the following:  
24

26 **FISCAL NOTE**

28 The additional costs associated with administering the  
registration process for transferees of structured settlement  
30 payment rights can be absorbed by the Bureau of Insurance within  
the Department of Professional and Financial Regulation utilizing  
existing budgeted resources. The original issuance and renewal  
32 fees paid by transferees will result in minor increases of  
dedicated revenue to the bureau.  
34

36 This bill may increase the number of civil cases filed in  
the court system. The additional workload and administrative  
costs associated with the minimal number of new cases filed can  
38 be absorbed within the budgeted resources of the Judicial  
Department. The collection of additional filing fees may also  
40 increase General Fund revenue by minor amounts.'

42 **SUMMARY**

44 This amendment makes the use of the term "annuity issuer"  
46 consistent throughout the bill. It requires transferees of  
structured settlement payment rights to register with the Bureau  
48 of Insurance before doing business in this State. The amendment  
also removes the requirement that the structured settlement  
50 obligor and annuity issuer provide written approval to the

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2 transfer agreement. Instead, it allows structured settlement  
obligors and annuity issuers to object to the transfer agreement  
4 before the court or administrative authority responsible for  
approving the transfer on the basis that the transfer will result  
6 in adverse tax consequences to the structured settlement obligor  
or annuity issuer. The court or administrative authority may  
8 disapprove the transfer on the basis of adverse tax consequences.

The amendment also adds a fiscal note to the bill.