

MAINE STATE LEGISLATURE

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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 240, L.D. 676, Bill, "An Act Regarding Mortuary Trusts"

Amend the bill in section 1 in subsection 3-A in the last line (page 1, line 11 in L.D.) by inserting after the following: "30 days." the following: 'An insurer is deemed to have complied with this subsection if that insurer has mailed notice by first class mail to the last known mailing address of the assignee.'

Further amend the bill in section 3 in subsection 1-A by inserting after paragraph C the following:

'This subsection may not be construed to alter the terms of a life insurance policy or supersede any law governing the regulation of life insurance policies.'

SUMMARY

This amendment clarifies that an insurer has satisfied the requirement to notify an assignee of a life insurance policy of a revocation of the assignment or distribution of the policy's cash value when the insurer has mailed notice by first class mail to the last known mailing address of the assignee. The amendment also clarifies that the right to fund a prearranged funeral plan with the proceeds of a life insurance policy is subject to the terms of the policy and the laws regulating insurance.

COMMITTEE AMENDMENT