

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1413

H.P. 1035

House of Representatives, March 20, 2003

### An Act To Clarify Maine Law Relating to Viatical Settlements

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Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative WOODBURY of Yarmouth.  
Cosponsored by Representative: O'NEIL of Saco.

**Be it enacted by the People of the State of Maine as follows:**

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4           **Sec. 1. 24-A MRSA §6809, sub-§4**, as enacted by PL 1997, c.  
430, §1 and affected by §2, is amended to read:

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8           **4. Transfer of insurance policy.** Immediately upon receipt  
10 from the viator of documents to effect the transfer of the  
12 insurance policy, the viatical settlement provider shall pay the  
14 proceeds of the settlement to an escrow or trust account managed  
16 by an independent trustee or escrow agent in a state-chartered or  
18 federally chartered financial institution ~~that is a member of the  
federal reserve system, whose deposits are insured by the Federal  
Deposit Insurance Corporation or its successor,~~ pending  
acknowledgment of the transfer by the issuer of the policy. The  
trustee or escrow agent shall transfer the proceeds due to the  
viator or otherwise according to the viator's written  
instructions immediately upon receipt of acknowledgment of the  
transfer from the insurer.

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**SUMMARY**

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24           This bill replaces a reference to the state-chartered and  
26 federally chartered financial institutions that are members of  
the federal reserve system with a reference to institutions whose  
deposits are insured by the Federal Deposit Insurance  
Corporation. This change makes state law consistent with the  
28 National Association of Insurance Commissioners' model law and  
allows a greater number of state-chartered financial institutions  
30 to manage escrow or trust accounts containing viatical settlement  
proceeds.