

MAINE STATE LEGISLATURE

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Date: 3/18/8

(Filing No. H- 772)

INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1569, L.D. 2200, Bill, "An Act To Ensure Full Payment of Annuity Death Benefits"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 24-A MRSA §2537, sub-§10, as enacted by PL 1969, c. 132, §1, is repealed and the following enacted in its place:

10. A variable annuity contract delivered or issued for delivery in this State may include as an incidental benefit a provision for payment on death during the deferred period of an amount equal to the greater of the sum of the premiums or stipulated payments paid under the contract and the value of the contract at the time of death. The beneficiary under the contract may not be paid any other amount. A variable annuity contract that includes such incidental benefit may not be deemed to be life insurance and therefore is not subject to the provisions of this Title governing life insurance contracts. A variable annuity contract with a provision for any other benefit on death during the deferred period is subject to the provisions of this Title governing life insurance contracts. A payment on death pursuant to a variable annuity contract under this subsection must be made in accordance with section 2436. This subsection applies to variable annuity contracts delivered or issued for delivery in this State on or after January 1, 2009.'

SUMMARY

This amendment replaces the bill. The amendment permits a variable annuity contract to include as an incidental benefit a provision for payment on death during the deferred period of an amount equal to the greater of the sum of the premiums or stipulated payments paid under the contract and the value of the contract at the time of death. The amendment prohibits the payment of any other amount to the beneficiary. The amendment also requires that the payment on death must be made in accordance with the prompt pay law. The provision applies to variable annuity contracts delivered or issued for delivery on or after January 1, 2009.

**FISCAL NOTE REQUIRED
(See attached)**

COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 2200

LR 3382(02)

An Act To Ensure Full Payment of Annuity Death Benefits

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation can be absorbed by the bureau utilizing existing budgeted resources.