

# MAINE STATE LEGISLATURE

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A.S.

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INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 132, L.D. 390, Bill, "An Act To Clarify Guaranteed Fund Protection for Deferred Compensation Accounts"

Amend the bill by striking out everything after the title and inserting the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, current financial and economic conditions have raised concerns about the financial health of certain insurance companies that provide deferred compensation plans to State employees and other government employees; and

Whereas, this bill clarifies that individual deferred compensation accounts are protected through the Maine Life and Health Insurance Guaranty Association if a deferred compensation provider becomes insolvent; and

Whereas, immediate enactment of this Act is necessary for the protection of individuals with investments in governmental retirement benefit plans in the event of an insolvency; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 24-A MRSA §4603, sub-§2, ¶L, as enacted by PL 2005, c. 346, §2 and affected by §16, is amended to read:

L. Any unallocated annuity contract, except any annuity, whether allocated or unallocated, issued to a governmental retirement benefit plan established under the United States Internal Revenue Code, 26 United States Code, Section 401, 403(b) or 457; and

COMMITTEE AMENDMENT



1 those annuities are allocated or unallocated. The amendment also specifies that the  
2 financial interest of participants in those plans is protected up to \$250,000 in the  
3 aggregate in present value of annuity benefits. The amendment adds an emergency  
4 preamble and provides that the Act applies to an insolvency of an insurance company that  
5 is a member of the Maine Life and Health Insurance Guaranty Association that occurs on  
6 or after the date the Act is approved.