

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 1304

S.P. 469

In Senate, April 9, 2015

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**An Act To Permit Funds for Prearranged Funerals To Be Invested  
under a Wider Range of Options**

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

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator WHITTEMORE of Somerset.  
Cosponsored by Senators: ALFOND of Cumberland, CUSHING of Penobscot, HASKELL of Cumberland, Representatives: BECK of Waterville, GIDEON of Freeport, MARTIN of Eagle Lake, McCABE of Skowhegan.

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

2 **Sec. 1. 32 MRSA §1401, sub-§1, ¶B**, as amended by PL 2005, c. 65, Pt. C, §16,  
3 is further amended to read:

4 B. The payee shall deposit the money in ~~either a federally insured deposit or share~~  
5 ~~account or a trust account; the type of account must be disclosed to the payor or the~~  
6 ~~payor's representative and a deposit in a trust account may be invested in or used to~~  
7 ~~purchase only~~ an account in a financial institution authorized to do business in this  
8 State, as defined in Title 9-B, section 131, subsection 17-A, or a credit union  
9 authorized to do business in this State, as defined in Title 9-B, section 131, subsection  
10 12-A, or in a trust account. The money deposited in a trust account may be invested  
11 only in the following:

12 (1) Federally insured deposit or share accounts;

13 (2) Securities issued, insured or guaranteed by the United States or by any  
14 agency or corporate or other instrumentality of the United States;

15 (3) Municipal securities that are exempt from registration under Title 32, section  
16 16201, subsection 1; ~~and~~

17 (4) Permanent life insurance, other than variable life insurance and annuities,  
18 from an insurer authorized to transact insurance in this State, subject to the  
19 provisions of Title 24-A, chapter 27. A payee or mortuary trustee may not  
20 receive any commission, fee or other consideration from an insurer in connection  
21 with the procurement or purchase of insurance permitted by this subparagraph;

22 (5) Bonds, notes and bills that are issued by and are the direct obligation of the  
23 United States Treasury;

24 (6) Commercial paper rated as either "A-1" or "P-1" by Moody's Investors  
25 Service, Inc., Standard and Poor's Corporation or the rating equivalent of Fitch  
26 Investors Service, Inc. or any other nationally recognized statistical rating  
27 agency;

28 (7) Money market funds rated "AAM" or "AAM-G" or better by Standard and  
29 Poor's Corporation or the rating equivalent of any other nationally recognized  
30 statistical rating agency;

31 (8) Certificates of deposit issued by a duly chartered commercial bank or thrift  
32 institution in the State protected by the Federal Deposit Insurance Corporation if  
33 the bank or institution possesses assets of at least \$100,000,000 and maintains a  
34 ratio of capital to assets equal to or greater than 6 1/2%;

35 (9) Bonds that are issued by United States corporations, corporations acceptable  
36 to the Department of Professional and Financial Regulation, Office of Securities  
37 or United States public entities and that are rated "A" or better by Standard and  
38 Poor's Corporation, or the rating equivalent of Moody's Investors Service, Inc. or  
39 Fitch Investors Service, Inc. or any other nationally recognized statistical rating  
40 agency; and

1                    (10) Other investments specifically approved by the Department of Professional  
2                    and Financial Regulation, Office of Securities.

3                    Except for fees allowed by this section, all investments made with trust assets remain  
4                    trust assets.

5                    **SUMMARY**

6                    Current law permits funds held in prearranged funeral and burial plans to be invested  
7                    in certain listed permissible investment categories. This bill expands those options by  
8                    permitting these funds to be invested in the same categories of investments that are  
9                    authorized under the Maine Revised Statutes, Title 39-A, section 403, subsection 9 as  
10                    permissible investments for trust funds for self-insurers under the laws governing  
11                    workers' compensation.