

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Ninety-ninth Legislature

OF THE

STATE OF MAINE

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PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Ninety-ninth Legislature

1959

Chapter 118

AN ACT Relating to Nonforfeiture Benefits and Valuation Standards for Life Insurance Policies.

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

Sec. 1. R. S., c. 60, § 135, repealed and replaced. Section 135 of chapter 60 of the Revised Statutes is repealed and the following enacted in place thereof:

Sec. 135. Adjusted premiums.

I. The adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of:

A. The then present value of the future guaranteed benefits provided for by the policy;

B. 2% of the amount of insurance, if the insurance be uniform in amount, or the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy;

C. 40% of the adjusted premium for the first policy year;

D. 25% of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole life issued at the same age for the same amount of insurance, whichever is less.

In applying the percentages specified in paragraphs C and D, no adjusted premium shall be deemed to exceed 4% of the amount of insurance or level amount equivalent thereto. The date of issue of a policy for the purpose of this section shall be the date as of which the rated age of the insured is determined.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent level amount thereof for the purpose of this section shall be deemed to be the level amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the inception of the insurance as the benefits under the policy.

Except as otherwise provided in subsection II, all adjusted premiums and present values referred to in sections 132 to 137 shall for all policies of Ordinary insurance be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table, provided that for any category of Ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than 3 years younger than the actual age of the insured. Such calculations for all policies of Industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding 3½% per year, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits. In calculating the present value of any paid-up term insur-

ance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may not be more than 130% of the rates of mortality according to such applicable table. For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the commissioner.

II. In the case of Ordinary policies issued on or after the operative date of this subsection, all adjusted premiums and present values referred to in sections 132 to 137 shall be calculated on the basis of the Commissioners 1958 Standard Ordinary Mortality Table and the rate of interest, not exceeding $3\frac{1}{2}\%$ per year, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits, provided that for any category of Ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than 3 years younger than the actual age of the insured. In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1958 Extended Term Insurance Table. For insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the commissioner.

After the effective date of this act, any company may file with the commissioner a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1966. After the filing of such notice, then upon such specified date, which shall be the operative date of this subsection for such company, this subsection shall become operative with respect to the Ordinary policies thereafter issued by such company. If a company makes no such election, the operative date of this subsection for such company shall be January 1, 1966.'

Sec. 2. R. S., c. 60, § 139, sub-§ I, amended. Subsection I of section 139 of chapter 60 of the Revised Statutes is amended to read as follows:

'I. For all Ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, —the Commissioners 1941 Standard Ordinary Mortality Table for such policies issued prior to the operative date of section 135, subsection II of the Standard Nonforfeiture Law, as amended, and the Commissioners 1958 Standard Ordinary Mortality Table for such policies issued on or after such operative date; provided that for any category of such policies issued on female risks all modified net premiums and present values referred to in sections 138 to 143 may be calculated according to an age not more than 3 years younger than the actual age of the insured.'

Effective September 12, 1959

Chapter 119

AN ACT Relating to Digging Clams in Kennebunkport, York County.

Effective September 12, 1959

Director's note: Repealed by P. L., 1959, c. 331, § 5. Reenacted by P. & S. L., 1959, c. 154, Chapter A, § 4, sub-§ V.