

MAINE STATE LEGISLATURE

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ACTS, RESOLVES AND CONSTITUTIONAL RESOLUTIONS

AS PASSED BY THE

One Hundred and Sixth Legislature

OF THE

STATE OF MAINE

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THE KNOWLTON AND MCLEARY COMPANY
FARMINGTON, MAINE
1973

PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE
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licensed to issue this class of insurance in this State. It shall only be issued for a single complete premium payment in advance by the group self-insurer. It shall be given in an amount to be determined by the chairman and when issued shall be noncancellable for any cause during the continuance of the liability secured and so covered.

F. All the provisions of this chapter relating to self-insurance and the rules and regulations promulgated thereunder shall be deemed applicable to group self-insurance.

5. Self-insurance.

A. "Self-insurance," as used herein, shall be deemed to be the system of securing compensation as provided in subsection 4.

For the purposes only of subsection 4 concerning group self-insurance plans, the amount of deposit of securities or the amount of a bond to be filed pursuant to subsection 4 shall be jointly determined by the chairman and the Insurance Commissioner. The chairman may from time to time request the Insurance Commissioner for such other assistance, and the Insurance Commissioner is hereby authorized to render such assistance upon request of the chairman, as may be necessary to insure the financial ability of such groups to pay compensation for the employers in the industries covered by such plans.

Sec. 4. Effective date of assent. The effective date of the assent of an employer shall be the date of the insurance policy filed or in the case of a self-insurer or group the date of the bond or the receipt of the securities required.

Effective October 3, 1973

CHAPTER 560

AN ACT to Revise the Maine Insurance Code as Related to Separate Accounts Established by Insurance Companies.

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

Sec. 1. R. S., T. 24-A, § 1128, repealed and replaced. Section 1128 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed and the following enacted in place thereof:

§ 1128. Special investments; separate accounts

1. Except as may be provided with respect to reserves for guaranteed benefits and funds referred to in subsection 2:

A. Amounts allocated to any separate account established by the insurer pursuant to section 2537 (separate accounts) and accumulations thereon may be invested and reinvested without regard to any requirements or limitations prescribed by this chapter; and

B. The investments in such separate account or accounts shall not be taken into account in applying the investment limitations otherwise applicable to the investments of the insurer.

2. Except with the approval of the commissioner and under such conditions as to investments and other matters as he may prescribe, which shall recognize the guaranteed nature of the benefits provided, reserves shall not be maintained in a separate account for:

A. Benefits guaranteed as to dollar amount and duration; and

B. Funds guaranteed as to principal amount or stated rate of interest.

Sec. 2. R. S., T. 24-A, § 2501, amended. Section 2501 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

§ 2501. Scope of chapter

This chapter applies only to contracts of life insurance and annuities, other than reinsurance, group life insurance and group annuities, except that section 2537 (separate accounts) shall also apply as to group life insurance and group annuity contracts.

Sec. 3. R. S., T. 24-A, § 2537, sub-§ 1, amended. Subsection 1 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969 and as amended by section 40 of chapter 177 of the public laws of 1969, is further amended to read as follows:

1. Any domestic insurer may establish one or more separate accounts, including that type known as a unit investment trust, as defined by the Investment Company Act of 1940, Stat. 789, 15 U.S.C. § 80a, et seq., as amended, and may allocate to such separate accounts, in accordance with the terms of a written contract or agreement or annuity or pension, profitsharing or retirement plan, whether or not qualified under the applicable provisions of the Internal Revenue Code, 68A Stat. 1, 26 U.S.C. § 1, et seq., as amended, with any individual or any group, any amounts, including without limitation proceeds applied under optional modes of settlement or under dividend options, paid or remitted to or held by the insurer which are to be applied to provide for life insurance or annuities and benefits incidental thereto, ~~or other benefits~~ payable in fixed and guaranteed or variable dollar amounts, or both.

Sec. 4. R. S., T. 24-A, § 2537, sub-§ 2, amended. Subsection 2 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended by adding a new sentence at the end to read as follows:

Amounts allocated to a separate account in the exercise of the power granted by this section shall be owned by the insurer, and the insurer shall not be, nor hold itself out to be, a trustee with respect to such amounts.

Sec. 5. R. S., T. 24-A, § 2537, sub-§ 3, amended. The 2nd sentence of subsection 3 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

If and to the extent so provided under the applicable contracts, ~~That~~ that portion of the assets of any such separate account equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the insurer may conduct.

Sec. 6. R. S., T. 24-A, § 2537, sub-§ 4, amended. Subsection 4 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

4. Unless otherwise approved by the commissioner, ~~Assets~~ assets allocated to a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then in accordance with the terms of the contract or the rules or other written agreement applicable to such separate account; except, that unless otherwise approved by the commissioner, the portion of the assets of such separate account at least equal to the insurer's reserve liability with regard to the guaranteed benefits and funds referred to in section 1128, if any, shall be valued in accordance with rules otherwise applicable to the insurer's assets.

Sec. 7. R. S., T. 24-A, § 2537, sub-§ 5, amended. The 2nd sentence of subsection 5 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

Any such contract or agreement, under which the benefits vary to reflect investment experience, including a group agreement and any certificate in evidence of variable benefits issued thereunder, shall state that such dollar amount ~~may decrease or increase~~ will so vary and shall contain on its first page a statement that the benefits thereunder are on a variable basis.

Sec. 8. R. S., T. 24-A, § 2537, sub-§ 6, ¶ C, repealed and replaced. Paragraph C of subsection 6 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed and the following enacted in place thereof:

C. The law and regulation under which the insurer is authorized in the state of domicile to issue variable contracts.

Sec. 9. R. S., T. 24-A, § 2537, sub-§ 6, amended. The last paragraph of subsection 6 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

An insurer which issues variable contracts and which is a subsidiary of, or affiliated through common management or ownership with, another life insurer authorized to transact business in this State ~~shall~~ may be deemed by the commissioner to have met the provisions of this subsection, if either it or the parent or affiliated insurer meets the requirements hereof.

Sec. 10. R. S., T. 24-A, § 2537, sub-§ 8, amended. Subsection 8 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

8. No sale, exchange or other transfer of assets may be made by an insurer between any of its separate accounts or between any other investment ac-

count and one or more of its separate accounts unless, in case of a transfer into a separate account, such transfer is made solely to establish the account or to support the operation of the contracts with respect to the separate account to which the transfer is made, and unless such transfer, whether into or from a separate account, ~~to which the transfer is made,~~

A. By a transfer of cash, or

B. By a transfer of securities having a readily determinable market value, **provided that such transfer of securities is approved by the commissioner.** The commissioner may approve other transfers among such accounts if, in his opinion, such transfers would not be inequitable.

Sec. 11. R. S., T. 24-A, § 2537, sub-§ 12, repealed and replaced. Subsection 12 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is repealed and the following enacted in place thereof:

12. Except for sections 2505, 2510, 2511, 2512, 2528 to 2534 and 2614, in the case of a variable life insurance policy and except as otherwise provided in this section, all pertinent provisions of this Title shall apply to separate accounts and contracts relating thereto. Any individual variable life insurance contract, delivered or issued for delivery in this State, shall contain grace, reinstatement and nonforfeiture provisions appropriate to such a contract. Any individual variable annuity contract, delivered or issued for delivery in this State, shall contain grace and reinstatement provisions appropriate to such a contract. Any group variable life insurance contract, delivered or issued for delivery in this State, shall contain grace provisions appropriate to such a contract. The reserve liability for variable contracts shall be established in accordance with actuarial procedures that recognize the variable nature of the benefits provided and any mortality guarantees.

Sec. 12. R. S., T. 24-A, § 1520, sub-§ 3, amended. Subsection 3 of section 1520 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

3. As to life insurers authorized to issue variable ~~annuities contracts~~ under section 2537, applicants appointed by such insurers to solicit such ~~annuity variable~~ contracts in this State, in addition to completing examinations required for a life agent's license, shall take and pass successfully a separate examination covering the subject of variable ~~annuities contracts~~, in accordance with such reasonable rules and regulations as may be adopted by the commissioner, and pay a separate examination application fee therefor. **Said rules and regulations may provide for several sections of the examination and several classifications of said variable contract license corresponding to the different types of variable contracts to be offered in this State, including, without limitation, variable annuity contracts and variable life insurance contracts.**

Sec. 13. R. S., T. 24-A, § 1528, sub-§ 1, ¶ C, sub-¶ (5), amended. Subparagraph (5) of paragraph C of subsection 1 of section 1528 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, and as repealed and replaced by section 5 of chapter 435 of the public laws of 1971, is amended to read as follows:

(5) Variable ~~annuity~~ contract as defined in 1520, subsection 3;

Sec. 14. R. S., T. 24-A, § 2537, sub-§ 11, amended. Subsection 11 of section 2537 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

11. ~~The~~ Notwithstanding any other provision of law, the commissioner shall have sole authority to regulate the issuance and sale of ~~the~~ variable contracts ~~or agreements authorized by subsection 4~~ and to promulgate such rules and regulations as may be necessary for the effectuation of this section.

Effective October 3, 1973

CHAPTER 561

AN ACT Regulating the Interception of Wire and Oral Communications.

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

R. S., T. 15, c. 102, additional. Title 15 of the Revised Statutes is amended by adding a new chapter 102 to read as follows:

CHAPTER 102

INTERCEPTION OF WIRE AND ORAL COMMUNICATIONS

§ 709. Definitions

The following words and phrases as used in this chapter, unless the context otherwise indicates, shall have the following meanings.

1. Communication common carrier. "Communication common carrier" means any telephone or telegraph company.

2. Contents. "Contents," when used with respect to any wire or oral communication, means any information concerning the identity of the parties to such communication or the existence, contents, substance, purport or meaning of that communication.

3. Intercepting device. "Intercepting device" means any device or apparatus which can be used to intercept a wire or oral communication other than:

A. Any telephone or telegraph instrument, equipment or facility or any component thereof being used by a communication common carrier in the ordinary course of its business or extension telephones used by a subscriber to telephone service; or

B. A hearing aid or similar device being used to correct subnormal hearing to not better than normal.

4. Interception. "Interception" means to hear, record or aid another to hear or record the contents of any wire or oral communication through the use of any intercepting device by any person other than: