

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

THIRD SPECIAL SESSION

October 1, 1992 to October 6, 1992

FOURTH SPECIAL SESSION

October 16, 1992

ONE HUNDRED AND SIXTEENTH LEGISLATURE

FIRST REGULAR SESSION

December 2, 1992 to July 14, 1993

THE GENERAL EFFECTIVE DATE FOR

FIRST REGULAR SESSION

NON-EMERGENCY LAWS IS

OCTOBER 13, 1993

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1993

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

of the
ONE HUNDRED AND SIXTEENTH LEGISLATURE

1993

(1) At the time the application is made for financial assistance, is an existing business with 9 or fewer employees;

(2) Has been in business for at least 3 years; and

(3) Agrees to seek business counseling if required by the authority.

See title page for effective date.

CHAPTER 320

S.P. 448 - L.D. 1415

An Act to Clarify the Extent of Insurable Interests

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

Sec. 1. 24-A MRSA §2404, sub-§3, ¶C, as amended by PL 1991, c. 548, Pt. C, §1, is further amended to read:

C. ~~An individual~~ A party to a contract or option for the purchase or sale, including a redemption, of an interest in a business proprietorship, partnership or firm, or of shares of stock of a closed corporation or of an interest in these shares, has an insurable interest in the life, body and health of each individual party to that contract or option, and for the purposes of that contract or option only, in addition to any insurable interest which that may otherwise exist as to that individual;

Sec. 2. 24-A MRSA §2404, sub-§3, ¶E, as enacted by PL 1991, c. 548, Pt. C, §3, is amended to read:

E. Any revocable or irrevocable trust has an insurable interest, provided any settlor or any beneficiary of the trust has an insurable interest as provided in paragraph A or, B, or C. A partnership has an insurable interest provided any partner has an insurable interest.

Sec. 3. 24-A MRSA §2405, sub-§§1 and 2, as enacted by PL 1969, c. 132, §1, are amended to read:

1. Life insurance contracts may be entered into in which the person, trust or trustee paying the consideration for the insurance has no insurable interest in the life of the individual insured, where charitable, benevolent, educational; or religious institutions, or their agencies, are designated irrevocably as the beneficiaries thereof.

2. In making such contracts, the person paying the premium shall make and sign the application therefor as owner or as settlor of a trust, and shall designate a charitable, benevolent, educational or religious institution, or any agency thereof, irrevocably as the beneficiary or ben-

eficiaries of such contract. The application ~~shall~~ must be signed also by the individual whose life is to be insured.

Sec. 4. Application; retroactivity. Those sections of this Act that amend the Maine Revised Statutes, Title 24-A, section 2404 apply retroactively, so that if, on the effective date of this Act, any person has an insurance contract upon the life or body of an insured, and if that person would have an insurable interest in the life or body of the insured under the statutes as amended in this Act, then that person is deemed to have had an insurable interest at the time when the contract was made.

Sec. 5. Certain beneficiaries; application. The section of this Act that amends the Maine Revised Statutes, Title 24-A, section 2405 applies to insurance contracts entered into after the effective date of this Act and insurance contracts transferred, after the effective date of this Act, to trusts of which the applicant is settlor for the benefit of charitable, benevolent, educational or religious institutional beneficiaries.

See title page for effective date.

CHAPTER 321

S.P. 291 - L.D. 861

An Act to Amend the Laws Governing the Effect of a Tender in Foreclosure Actions

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

Sec. 1. 14 MRSA §6204, as amended by PL 1991, c. 134, §2, is further amended to read:

§6204. Redemption in one year

The mortgagor or person claiming under ~~him~~ the mortgagor may redeem the mortgaged premises within one year after the first publication or the service of the notice mentioned in section 6203, and if not so redeemed, ~~his~~ the mortgagor's right of redemption is forever foreclosed.

The mortgagor and mortgagee may agree upon any period of time not less than one year in which the mortgage ~~shall be~~ is forever foreclosed, ~~which.~~ If made, this agreement shall must be inserted in the mortgage and be is binding on the parties, their heirs, legal representatives and assigns and ~~shall apply~~ applies to all the modes of foreclosure of mortgages on real estate.

The mortgagor or those claiming under the mortgagor have the right to redeem the mortgaged premises from any or all sales of the mortgaged premises under and by virtue of authority and power contained in the mortgage or from any sale of the mortgaged premises under or by virtue of a separate instrument executed at or about the same time with the mortgage, and being a

part of the same transaction, by paying or tendering to the mortgagee or to those claiming under the mortgagee as appears by record at the registry of deeds where the mortgage is properly recorded, the debt, interest, costs of foreclosure and other obligations provided in the mortgage, at any time within one year from the date of the sale. Nothing in this section applies to a sale under the statutory power of sale in a mortgage as provided for in sections 6203-A to 6203-E, to railroad mortgages, so called, or to bond issues of corporations, or to bonds forming a part of a mortgage indebtedness of any corporation or corporations ~~wherein~~ when the method of sale is provided in the deed of trust or any similar instrument.

The acceptance, before the expiration of the right of redemption and after the commencement of foreclosure proceedings of any mortgage of real property, of anything of value to be applied on or to the mortgage indebtedness by the mortgagee or any person holding under ~~him shall constitute~~ the mortgagee constitutes a waiver of ~~such~~ the foreclosure, unless an agreement to the contrary in writing ~~be~~ is signed by the person from whom the ~~same~~ payment is accepted ~~or~~, with regard to foreclosures commenced by civil action under section 6321, ~~unless the bank returns the payment to the mortgagor within 10 days of receipt. Except the~~ The receipt of income from the mortgaged premises, by the mortgagee ~~or his~~ the mortgagee's assigns while in possession ~~thereof~~ of the premises, ~~shall~~ does not constitute a waiver of the foreclosure proceedings of the mortgage on such premises.

The mortgagee and the mortgagor may enter into an agreement to allow the mortgagor to bring the mortgage payments up to date with the foreclosure process being stayed as long as the mortgagor makes payments according to the agreement. If the mortgagor does not make payments according to the agreement, the mortgagee may, after notice to the mortgagor, resume the foreclosure process at the point at which it was stayed.

See title page for effective date.

CHAPTER 322

H.P. 778 - L.D. 1051

An Act to Authorize Maine Financial Institutions and Credit Unions to Sell Annuities

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

Sec. 1. 9-B MRSA §443, sub-§11 is enacted to read:

11. Annuities. A financial institution, credit union or financial institution holding company, or a subsidiary or employee of such an entity, authorized to do business in the State may sell, or arrange for the sale of, through a

licensed 3rd-party, annuities purchased from a licensed insurance company and may share commissions in connection with the sale of annuities pursuant to the provisions of Title 24-A. A financial institution, a credit union or a financial institution holding company or an employee or subsidiary of such an entity must be licensed in accordance with Title 24-A, section 1531, subsection 1, paragraph F before engaging in any of the activities concerning the sale of annuities authorized by this subsection. If annuities are sold pursuant to the authorization under this subsection through an arrangement with a licensed 3rd-party agent, that 3rd-party agent may not be licensed to sell general lines insurance or life and health insurance. As used in this subsection, the words "sell annuities" and "arrange for the sale of annuities" do not include the underwriting of those products.

A financial institution, credit union or financial institution holding company that sells or arranges for the sale of annuities on the premises of that entity:

A. Shall post conspicuously a notice that is clearly visible to all customers that may purchase annuities. The notice must state in clearly understandable language that the annuities are not insured by the Federal Deposit Insurance Corporation;

B. Shall orally inform a prospective purchaser of annuities that the annuities are not insured by the Federal Deposit Insurance Corporation; and

C. Before a sale of annuities is completed, must obtain a written statement signed by the purchaser of the annuities stating that the purchaser received the oral notice required by paragraph B.

Sec. 2. 9-B MRSA §467, sub-§§4 and 5 are enacted to read:

4. Sale of annuities. A financial institution or a credit union authorized to do business in this State may not arrange for the sale of annuities pursuant to section 443, subsection 11 with an insurance agent if that agent is a director of the financial institution or credit union or with an agency if a director is an owner or otherwise has a financial interest in the agency.

5. Provision of names of persons purchasing annuities. A financial institution or a credit union authorized to do business and to sell annuities in this State may not sell or provide to any individual or institution the name of any person that has purchased annuities from that financial institution or credit union.

Sec. 3. 24-A MRSA §1514-A, sub-§2, as enacted by PL 1985, c. 731, is amended to read:

2. Prohibition on licensing. No A financial institution, financial institution holding company or the subsidiary of either or any an officer, employee, agent or representative of a financial institution, financial institution holding company or the subsidiary of either may not