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Amend the bill by striking out all of section 1 and inserting the following:

‘**Sec. 1. 24-A MRSA §2537, sub-§10**, as repealed and replaced by PL 2007, c. 544, §1, is amended to read:

10. A variable annuity contract delivered or issued for delivery in this State may include as an incidental benefit a provision for payment on death during the deferred period of an amount equal to the greater of the sum of the premiums ~~or stipulated payments paid under the contract~~less adjusted withdrawals from the policy and the value of the contract at the time of death. The beneficiary under the contract may not be paid any other amount. A variable annuity contract that includes such incidental benefit may not be deemed to be life insurance and therefore is not subject to the provisions of this Title governing life insurance contracts. A variable annuity contract with a provision for any other benefit on death during the deferred period is subject to the provisions of this Title governing life insurance contracts. A payment on death pursuant to a variable annuity contract under this subsection must be made in accordance with section 2436. This subsection applies to variable annuity contracts delivered or issued for delivery in this State on or after January 1, 2009.’

SUMMARY

This amendment clarifies that a variable annuity death benefit payment must equal the greater of the premiums, reduced by any adjusted withdrawals from the policy already distributed to the policy owner, and the value of the contract, instead of the sum of the premiums, less withdrawals, and the value of the contract, as the bill proposes.