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STATE OF MAINE
SENATE
125TH LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT “ ” to COMMITTEE AMENDMENT “A” to H.P. 648, L.D. 881, Bill, “An Act To Amend Certain Insurance Provisions Relating to Variable Annuity Death Benefits and Multiple Employer Trusts”

Amend the amendment 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Sec. 1. 24-A MRSA §2537, sub-§10, as repealed and replaced by PL 2007, c. 544, §1, is amended to read: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 either the value of the contract at the time of death or the sum of the premiums or stipulated payments paid under the contract and the value of the contract at the time of death less adjusted withdrawals from the policy, whichever is greater.~~ 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 the language of Committee Amendment "A" that a variable annuity death benefit equals either the value of the contract at the time of death or the sum of the premiums less adjusted withdrawals from the policy, whichever is greater.

SPONSORED BY: _____

(Senator WHITTEMORE)

COUNTY: Somerset