

**§6808-A. Contact with insured; additional disclosures**

**1. Contact with insured.** The insured may be contacted by either the settlement provider or its authorized representative for the purpose of determining the insured's health status. This contact is limited to once every 3 months if the insured has a life expectancy of more than one year and no more than once per month if the insured has a life expectancy of one year or less.

[PL 2003, c. 636, §11 (NEW).]

**2. Additional disclosures.** A settlement provider shall provide the viator with at least the following disclosures no later than the date the settlement contract is signed by all parties. The disclosures must be conspicuously displayed in the settlement contract or in a separate document signed by the viator and the settlement provider or settlement producer and must provide the following information:

A. The affiliation, if any, between the settlement provider and the issuer of the insurance policy to be acquired pursuant to a settlement contract; [PL 2003, c. 636, §11 (NEW).]

B. The name, address and telephone number of the settlement provider; [PL 2003, c. 636, §11 (NEW).]

C. If an insurance policy to be purchased has been issued as a joint policy or involves family riders or any coverage of a life other than the insured's under the policy to be purchased, information regarding the possible loss of coverage on the other lives under the policy and advice to consult with the viator's insurance producer or the insurer issuing the policy for advice on the proposed settlement; [PL 2003, c. 636, §11 (NEW).]

D. The dollar amount of the current death benefit payable to the settlement provider under the policy or certificate. If known, the settlement provider shall also disclose the availability of any additional guaranteed insurance benefits, the dollar amount of any accidental death and dismemberment benefits under the policy or certificate and the settlement provider's interest in those benefits; [PL 2009, c. 376, §10 (AMD).]

E. The name, business address and telephone number of the independent 3rd-party escrow agent and the fact that the viator may inspect or receive copies of the relevant escrow or trust agreements or documents; [PL 2009, c. 376, §10 (AMD).]

F. A reconciliation of the settlement provider's gross offer to the net amount to be received by the viator; [PL 2009, c. 376, §10 (NEW).]

G. The identity of all persons compensated directly or indirectly by the settlement provider for the settlement contract, the amount of compensation paid to each and the method of calculating that compensation; [PL 2009, c. 376, §10 (NEW).]

H. Notice that the insured may be contacted as permitted by subsection 1 for the purpose of determining the insured's health; [PL 2009, c. 376, §10 (NEW).]

I. An offer to disclose to the insured all life expectancy estimates obtained by the provider; and [PL 2009, c. 376, §10 (NEW).]

J. Notice that complaints and inquiries may be brought to the attention of the superintendent. [PL 2009, c. 376, §10 (NEW).]  
[PL 2009, c. 376, §10 (AMD).]

**2-A. Disclosure by settlement producers.** A settlement producer shall provide the viator with at least the following disclosures no later than the date the settlement contract is signed by all parties. The disclosures must be conspicuously displayed in the settlement contract or in a separate document signed by the viator and the settlement producer and must provide the following information:

A. Notice that a settlement producer must exclusively represent the viator, not the insurer or the settlement provider, and owes a fiduciary duty to the viator; [PL 2009, c. 376, §11 (NEW).]

B. A description of all offers, counteroffers, acceptances and rejections relating to any proposed settlement of the policy; [PL 2009, c. 376, §11 (NEW).]

C. If any other persons are compensated directly or indirectly by the settlement producer for the settlement contract, their identity, the amount of compensation paid to each and the method of calculating that compensation; and [PL 2009, c. 376, §11 (NEW).]

D. Notice that complaints and inquiries may be brought to the attention of the superintendent. [PL 2009, c. 376, §11 (NEW).]

[PL 2009, c. 376, §11 (NEW).]

**3. Notice of change in ownership or beneficiary.** If the settlement provider transfers ownership or changes the beneficiary of the insurance policy, the settlement provider shall communicate the change in ownership or beneficiary to the insured within 20 days after the change.

[PL 2003, c. 636, §11 (NEW).]

**4. Disclosure of policyowner's rights.** The superintendent shall develop an informational brochure to apprise consumers of their rights as owners of life insurance policies. The document must be made available at no cost to all insurance companies and life insurance producers and written in lay terms.

A. The brochure must advise the consumer:

(1) That life insurance is a critical part of a broader financial plan and that the consumer is encouraged, and has a right, to seek additional financial advice and opinions;

(2) That possible alternatives to the lapse of the policy exist; and

(3) Of the definitions of common industry terms. [PL 2009, c. 376, §12 (NEW).]

B. The brochure must contain the following statement in large, bold or otherwise conspicuous typeface calculated to draw the eye: "Life insurance is a critical part of a broader financial plan. There are many options available, and you have the right to shop around and seek advice from different financial advisers in order to find the option best suited to your needs." [PL 2009, c. 376, §12 (NEW).]

C. The brochure may include brief descriptions of common products available from settlement providers. These products must be described in general terms for informative purposes only and not identify any specific settlement provider. [PL 2009, c. 376, §12 (NEW).]

D. If the insured under an individual life insurance policy is 60 years of age or older, or is known by the insurer to be terminally ill or chronically ill, the insurer shall send notice to the policyowner that there may be alternative transactions available, including a copy of the superintendent's brochure, whenever:

(1) The policyowner has requested the surrender of the policy in whole or in part;

(2) The policyowner has requested an accelerated death benefit;

(3) The insurer sends an initial notice that the policy may lapse; or

(4) As the superintendent may require by rule. [PL 2009, c. 376, §12 (NEW).]

[PL 2009, c. 376, §12 (NEW).]

#### SECTION HISTORY

PL 2003, c. 636, §11 (NEW). PL 2009, c. 376, §§10-12 (AMD).

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