

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

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Legislative Document

No. 1293

H. P. 958

House of Representatives, February 17, 1965

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

JEROME G. PLANTE, Clerk

Presented by Mr. Lane of Waterville.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-FIVE

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**AN ACT Requiring Bonding of Fire Insurance Companies for Payment of Losses  
in Event of Bankruptcy or Discontinuance from Business.**

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

**R. S., T. 24, § 329, additional.** Title 24 of the Revised Statutes is amended by adding a new section 329 to read as follows :

**‘§ 329. Bond required of fire insurance companies**

No fire insurance company shall be licensed to do business in this State until it has filed a bond with the Treasurer of State, in an amount to be determined by the Insurance Commissioner, in which the applicant shall be the obligor. The bond shall run to the Insurance Commissioner for the use of any person who may have a cause of action against the obligor for losses sustained on property insured by the obligor. The bond shall be conditioned that the obligor will pay to an insured such sums that may become due or owing from the obligor by virtue of losses sustained by the insured prior to the bankruptcy of the obligor or discontinuance from doing business in this State. If, in the opinion of the Insurance Commissioner, the bond of an obligor shall at any time appear to be insecure or exhausted or otherwise doubtful, an additional bond satisfactory to the commissioner shall be filed by the obligor. Upon the failure of the obligor to file this bond, the license shall be revoked by the commissioner.’