

# MAINE STATE LEGISLATURE

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# FIFTY-SIXTH LEGISLATURE.

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HOUSE.

No. 88.

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## STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SEVENTY-SEVEN.

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AN ACT additional to chapter forty-nine of the revised statutes, relating to life insurance.

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*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :*

SECTION 1. Every policy of life insurance issued on  
2 and after the first day of April, A. D. eighteen hun-  
3 dred and seventy-seven, by any company chartered by  
4 the authority of this state, which may be forfeited for  
5 non-payment of premiums (including all notes given  
6 for premiums or interest thereon) after it shall have  
7 been in force three full years, and which shall not con-  
8 tain provision for a surrender value at least equivalent  
9 to the value arising under the terms of this act, shall,  
10 nevertheless, be continued in force to an extent and  
11 for a period of time to be determined as follows : The  
12 net value of the policy, when the premium becomes

13 due and is not paid, shall be ascertained according to  
14 the “combined experience” or “actuaries” rate of  
15 mortality, with interest at four per centum per annum;  
16 after deducting from three-fourths of such net value  
17 any indebtedness to the company or notes held by the  
18 company against the insured, which notes if given for  
19 premium shall then be cancelled, what remains shall be  
20 considered as a net single premium of temporary in-  
21 surance, and the term for which it will insure shall be  
22 determined according to the age of the party at the  
23 time of the lapse of the policy, and the assumptions  
24 of mortality and interest aforesaid; but if the policy  
25 shall be an “endowment” payable at a certain time  
26 or at death, if it should previously occur, then if what  
27 remains as aforesaid shall exceed the net single pre-  
28 mium of temporary insurance for the balance of the  
29 endowment term for the full amount of the policy,  
30 such excess shall be considered as a net single premium  
31 or single endowment payable only at the same time as  
32 the original endowment and in case the life insured  
33 survives to such time; and the amount thus payable  
34 by the company shall be determined according to the  
35 age of the party at the time of the lapse of the policy,  
36 and the assumptions of mortality and interest aforesaid.  
37 For the purpose of this act, when the premiums upon  
38 any policy shall be payable oftener than once in every

39 year, and default shall be made in the payment of any  
40 premium after the policy shall have been in force for  
41 three full years, the policy shall be valued in the same  
42 manner as it would have been had the whole premium  
43 for the policy-year last entered upon been paid in full,  
44 and the balance of said year's premium actually un-  
45 paid shall not be deducted from the reserve as an out-  
46 standing indebtedness at the time of default, but shall  
47 become a part of the forborne premium as hereinafter  
48 provided.

SECT. 2. If the death of the life insured occur  
2 within the term of temporary insurance covered by the  
3 value of the policy, as determined in the previous  
4 section, and if no condition of the insurance other  
5 than the payment of premium has been violated by the  
6 insured, the company shall be bound to pay the  
7 amount of the policy the same as if there had been  
8 no lapse of premium, anything in the policy to the  
9 contrary notwithstanding; *provided, however,* that  
10 notice of the claim and proof of the death shall be  
11 submitted to the company in the same manner as pro-  
12 vided by the terms of the policy, within ninety days  
13 after the decease; *and provided, also,* that the com-  
14 pany shall have the right to deduct from the amount  
15 insured in the policy the amount compounded at seven  
16 per centum per annum of all the premiums that had

17 been forborne at the time of the death, including the  
18 whole of the year's premium in which the death  
19 occurs.

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STATE OF MAINE.

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IN HOUSE OF REPRESENTATIVES, }  
January 31, 1877. }

Reported from the Committee on Mercantile Affairs and Insurance, by Mr. SHEP-  
HERD of Camden, and ordered printed under the Joint Rule.

ORAMANDAL SMITH, *Clerk.*