

MAINE STATE LEGISLATURE

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Sixty-Second Legislature.

SENATE.

No. 32.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND
EIGHTY-FIVE.

AN ACT to provide for the organization of Mutual
Relief Associations.

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

SECTION 1. Any ten or more residents of this
2 State may associate themselves together, in the
3 manner hereinafter provided, as a corporation for
4 the insurance of health and life on the assessment
5 plan, with all the powers, rights and privileges,
6 and subject to all the duties, liabilities and restric-
7 tions set forth in the general laws relating to cor-
8 porations.

SECT. 2. The parties intending to form such a
2 corporation shall sign articles of association in

3 the book of records of the proposed corporation,
4 stating the name by which it shall be known, the
5 character of the business for the transaction of
6 which it is to be constituted, the principle upon
7 which it is to be conducted, the place where its
8 principal office is to be located, and the amount of
9 its capital stock or guarantee fund, which shall
10 not be less than fifty thousand dollars.

SECT. 3. The first meeting may be called by
2 any signer of the articles of association in the
3 manner prescribed by law for calling the first
4 meeting of corporations; but a meeting at which
5 all the signers of the articles are present, in per-
6 son or by proxy, is valid, whether notice thereof
7 has been given or not, or in case they are not all
8 present, the written consent of all upon the record
9 makes valid the action embraced in such record.
10 In other cases, a majority of the signers is requi-
11 site for a quorum.

SECT. 4. At such meeting, an organization may
2 be effected, by-laws adopted, and the officers
3 elected as provided in the by-laws; but no person
4 shall be a director unless he is a signer of the
5 articles of association. The directors may elect
6 the other officers of the corporation, if the by-laws
7 so provide.

SECT. 5. Thereupon the proceedings described
2 in section forty-six of chapter forty-nine of the
3 Revised Statutes, shall be had, and, upon their
4 completion and the payment of the fee prescribed
5 in section forty-eight of said chapter, the associa-
6 tion shall be a duly organized corporation.

SECT. 6. Such corporation shall not commence
2 business until it has deposited with the Treasurer
3 of State fifty thousand dollars in such securities as
4 the savings banks of the State are by law allowed
5 to invest in, to be held by him under the pro-
6 visions of sections fifty-seven to sixty-three of
7 chapter forty-nine of the Revised Statutes.

SECT. 7. Every such company shall be subject
2 to all the provisions of chapter forty-nine of the
3 Revised Statutes, in relation to examination, license
4 and supervision by the Insurance Commissioner and
5 making annual returns to him, and any such cor-
6 poration or person violating any of said provisions
7 shall be liable to the penalties therein provided.

SECT. 8. No person or association shall carry on
2 the business of insuring life upon the assessment
3 plan except under the provisions of this act. And if
4 any person solicits, receives or forwards any appli-
5 cation for such insurance, without first receiving

6 such license, becomes liable to the penalty provided
7 in section seventy-three of chapter forty-nine of
8 the Revised Statutes, to be recovered on an action
9 of debt in the name and to the use of the State, to
10 be commenced and prosecuted by the Attorney
11 General on the request of the Insurance Com-
12 missioner.

SECT. 9. The provisions of this act shall not
2 apply to organizations which do not employ paid
3 solicitors or canvassers, or pay, or cause, or allow
4 to be paid commissions or fees for procuring mem-
5 bership therein or obtaining applications for insur-
6 ance upon the assessment plan. If any person
7 receives a commission or fee, directly or indirectly,
8 for procuring an application for membership in
9 any organization described in this section, or for
10 insurance therein on the assessment plan, he for-
11 feits the same penalty, to be recovered in the
• 12 same manner as provided in the preceding section.

SECT. 10. Every association formed under this
2 act shall be liable to pay to the beneficiary the full
3 amount named in the certificate of membership,
4 when the claim matures, if such amount shall be
5 printed or written upon such certificate in such
6 manner as to be liable to mislead the public.

SECT. 11. If any such company shall refuse to
2 pay such amount as provided in the preceding sec-
3 tion, the Insurance Commission shall make ex-
4 amination into the facts, and may in his discretion
5 proceed to close up the affairs of the company as
6 provided by law.

STATE OF MAINE.

IN SENATE CHAMBER, }
February 6, 1885. }

Reported by Mr. ALLEN, from Committee on Mercantile Affairs and Insurance, and laid on table to be printed under joint rule.

C. W. TILDEN, *Secretary.*