

MAINE STATE LEGISLATURE

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SEVENTY-EIGHTH LEGISLATURE

SENATE

NO. 220

In Senate, Feb. 22, 1917.

*Reported by Mr. Gillin from Committee on Mercantile Affairs
and Insurance and ordered printed under joint rules.*

W. E. LAWRY, Secretary.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND SEVENTEEN

AN ACT relating to reserves of fire and marine companies.

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

That section 88 of chapter 53 of the Revised Statutes of
2 1916 be amended by striking out the words "a sum equal to
3 the full amount of premiums on outstanding marine risks;
4 together with one-half of all premiums on existing fire and
5 inland risks" in the third, fourth and fifth lines and inserting
6 in place thereof the words 'an amount equal to fifty per cent
7 of the premiums in force or the actual unearned portions of
8 such premiums for fire risks; and for marine risks fifty per
9 cent of the amount of premiums written in its policies upon

10 yearly risks and upon risks covering more than one passage
11 not terminated, and the full amount of premiums written in
12 policies upon all other marine risks not terminated' so that
13 said section as amended shall read as follows:

'Sect. 88. *Capital stock shall be restored by assessment; 2 shares shall be sold for non-payment of assessments; proceedings; capital stock may be reduced. Revised Statutes c. 4 49 S. 70.* Whenever, after setting aside an amount equal to
5 fifty per cent of the premiums in force or the actual un-
6 earned portions of such premiums for fire risks; and for
7 marine risks, fifty per cent of the amount of premiums
8 written in its policies upon yearly risks and upon risks cov-
9 ering more than one passage not terminated, and the full
10 amount of premiums written in policies upon all other ma-
11 rine risks not terminated; the net assets of any insurance
12 company with a specific capital, do not amount to more than
13 three-fourths of its capital stock, the company shall by as-
14 sessing the stock, restore its capital to the legal amount.
15 Shares on which such assessment is not paid within sixty
16 days after demand upon the owner thereof, shall be for-
17 feited, and ordered by a vote of the directors to be sold at
18 public auction and seven days' notice of the sale shall be
19 given in some daily or weekly paper published in the place
20 where such company is located; and the proceeds of sale,
21 after deducting expenses and the assessments due on such
22 shares, shall be paid to the owner or his representatives;
23 provided, that whenever the capital stock of any insurance

24 company is impaired as aforesaid, it may, by a majority vote
25 of the stock, at a meeting of the stockholders legally called,
26 reduce its capital by canceling its shares pro rata to the
27 number thereof, or it may reduce the par value of its shares,
28 or such company may thus reduce its capital stock and also
29 assess as hereinbefore provided; but no such company shall
30 reduce its capital stock, as aforesaid more than twenty per
31 cent thereof, nor to a sum less than one hundred thousand
32 dollars.”