

# MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE.

1860.

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1860.

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# THIRTY-NINTH LEGISLATURE.

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HOUSE.

No. 27.

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## STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED  
AND SIXTY.

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AN ACT providing for the appointment of a Bank and  
Insurance Commissioner, and defining his powers and  
duties.

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

SECTION 1. The office of the two commissioners as  
2 provided in section fifty-five of chapter forty-seven of  
3 the revised statutes, is abolished, and in room thereof,  
4 the governor, with the advice of the council, may ap-  
5 point one commissioner to be styled the Bank and  
6 Insurance Commissioner, who during his continuance  
7 in office shall not hold any office in any bank in this  
8 state, and shall not engage in any profession, business,  
9 or calling, but diligently employ himself in the duties  
10 of his said office, and his compensation shall be two

11 thousand dollars per annum, and his traveling expenses  
12 not exceeding one thousand dollars per annum ; and  
13 he shall be entitled to receive his salary from the  
14 treasury of state, in quarterly payments, on the first  
15 day of January, April, July and October of each year ;  
16 and the governor and council shall audit his account  
17 for traveling expenses, and draw his warrant on the  
18 treasurer for the amount found due ; and may remove  
19 said commissioner and fill the vacancy at pleasure.  
20 The Bank and Insurance Commissioner has all the  
21 power and authority which the bank commissioners  
22 have had, or which now is or has been exercised by  
23 them under the laws of this state, and the same duties  
24 are imposed upon the Bank and Insurance Commis-  
25 sioner, which by law are and have been heretofore  
26 imposed upon the bank commissioners.

SECT. 2. In addition to the tax levied upon the  
2 banks by virtue of section thirty-eight of chapter forty-  
3 seven of the revised statutes, each bank on the first  
4 day of October in each year shall pay to the treasurer  
5 of the state for the use of the state, a tax and of the  
6 amount as follows :

7 Each bank whose capital stock is fifty thousand dol-  
8 lars and less than seventy-five thousand dollars, shall  
9 pay the sum of thirty dollars. Each bank whose capi-  
10 tal stock is seventy-five thousand dollars, and less than

11 one hundred thousand dollars, shall pay the sum of  
12 thirty five dollars ; each bank whose capital stock  
13 is one hundred thousand dollars and less than one  
14 hundred and twenty-five thousand dollars, shall pay  
15 the sum of forty dollars. Each bank whose capital  
16 stock is one hundred and twenty-five thousand dollars  
17 and less than one hundred and fifty thousand dollars,  
18 shall pay the sum of forty-five dollars. Each bank  
19 whose capital stock is one hundred and fifty thousand  
20 dollars and less than two hundred thousand dollars,  
21 shall pay the sum of fifty dollars. Each bank whose  
22 capital stock is two hundred thousand dollars, or more  
23 than two hundred thousand dollars, shall pay the sum  
24 of sixty dollars. And if any bank neglects to pay said  
25 tax after it is due, the treasurer of the state shall issue  
26 a warrant of distress to compel payment thereof out of  
27 the estate or effects of the bank, which shall be exe-  
28 cuted like warrants of distress issued against the estate  
29 and effects of delinquent sheriffs under the provision of  
30 chapter six of the revised statutes.

SECT. 3. The treasurer of each savings bank or sav-  
2 ings institution shall, on the first day of October, in  
3 each year, and if the same be Sunday, then on the  
4 next day after, make return of the state thereof, which  
5 return shall be made to the secretary of state, and said  
6 return shall specify the following particulars :—the

7 number of depositors ; total amount of deposits ;  
8 amount invested in bank stock ; amount deposited in  
9 banks on interest ; amount secured by bank stock ;  
10 amount invested as public funds ; loan on security of  
11 the public funds ; loan on mortgages of real estate ;  
12 loan to county or town ; loan on personal securities ;  
13 amount of cash on hand ; total dividends for the year ;  
14 annual expenses of the institution ; all of which shall  
15 be certified or sworn to by the cashier or the treasurer,  
16 and two or more of the directors, managers or trustees  
17 of the institution shall also certify and make oath that  
18 the said return is correct according to their best knowl-  
19 edge and belief.

SECT. 4. Blank forms of such returns shall be for-  
2 warded to every such institution by the secretary of  
3 state, and he shall prepare suitable yearly abstracts  
4 thereof, and lay the same before the legislature.

SECT. 5. The bank and insurance commissioner shall  
2 visit all the savings banks and savings institutions in  
3 this state, as often as the governor may direct or he  
4 may deem expedient, and at least once in each year,  
5 and thoroughly examine and inspect all their affairs,  
6 and make all inquiries necessary to ascertain their con-  
7 dition and management ; and he has the same power  
8 to make such examination, and summon and examine  
9 under oath the officers of such institutions, and is un-

10 der the obligations and duty, and subject to the same  
11 penalties, as is prescribed in chapter forty-seven of the  
12 revised statutes, in case of banks.

SECT. 6. When, from any such examination made  
2 by the commissioner into the affairs of any such sav-  
3 ings institution, he shall be of opinion that such insti-  
4 tution has not sufficient assets to pay its debts to de-  
5 positors, or its further operation is hazardous to its  
6 depositors or other creditors, he may file a bill in equity  
7 in the supreme judicial court in term time or vacation,  
8 praying for a sequestration and an equitable distribu-  
9 tion of its assets. And the same proceedings shall be  
10 had as is provided in the case of a bill in equity by a  
11 depositor, in chapter forty-seven of the revised statutes.

SECT. 7. Every savings bank and savings institution  
2 in this state, on the first Monday of October, in each  
3 year, shall pay to the treasurer of state, for the use of  
4 the state, a tax of one and a half mills on each dollar  
5 of the whole amount of their loan on the said first day  
6 of October, in each year; and if any such savings  
7 bank or savings institution neglects to pay said tax for  
8 thirty days after it is due, the treasurer shall issue a  
9 warrant of distress to compel payment thereof out of  
10 the estate or effects of said savings bank or savings  
11 institution, which shall be executed like warrants of  
12 distress issued against the estate and effects of delin-

13 quent sheriffs under the provisions of chapter six of the  
14 revised statutes.

SECT. 8. The Bank and Insurance Commissioner has  
2 full power and authority to examine into the affairs  
3 and condition of any insurance company in this State,  
4 and may summon and examine under oath, all direct-  
5 ors, officers, or agent of said insurance companies, and  
6 such other persons, as he may think proper in relation  
7 to the affairs, transactions, and condition, of such cor-  
8 porations; and any such director, officer, agent, or other  
9 person, who shall refuse, without justifiable cause, to  
10 appear and testify, when thereto required as aforesaid,  
11 or who shall obstruct in any way, any commissioner in  
12 the discharge of his duty, as prescribed by this act,  
13 shall, on conviction thereof, be subject to a fine not  
14 exceeding one thousand dollars for each offence, or im-  
15 prisonment for a term not exceeding one year.

SECT. 9. In addition to the examination herein pro-  
2 vided for, if any five or more persons who are officers,  
3 stockholders, members, or creditors of any insurance  
4 company, shall make and sign an application to said  
5 commissioner, requesting him to examine the affairs  
6 of such company, setting forth under oath their inter-  
7 ests in said company, and the reasons for making such  
8 examination, it shall be the duty of the said com-  
9 missioner to proceed forthwith, and make a full inves-

10 tigation of the affairs of such corporation, in the man-  
11 ner provided by this act. If upon the examination of  
12 any insurance company, the said commissioner shall be  
13 of opinion that the same is insolvent, or that its con-  
14 dition is such as to render its further progress danger-  
15 ous to the public, or to those holding policies against  
16 said corporation, it shall be his duty to apply to some  
17 one of the justices of the supreme judicial court, to  
18 issue an injunction to restrain such corporation in whole  
19 or in part, from further proceeding with its business,  
20 until after a full hearing in the premises can be had  
21 before said court; and such justice shall forthwith is-  
22 sue such injunction, and after a full hearing of all the  
23 parties interested in the matter may dissolve or modi-  
24 fy the said injunction or make the same perpetual, and  
25 may make such orders and decrees to suspend, restrain,  
26 or prohibit the further continuance of the business of  
27 such corporation, as may be needful in the premises:  
28 And the said justice may in his discretion authorize the  
29 commissioner to appoint two receivers to take posses-  
30 sion of the property and effects of the corporation, and  
31 the receivers shall give a like bond and be subject to  
32 the same supervision, control and removal as receivers  
33 of banks are by law, or by virtue of "an act" addi-  
34 tional to chapter forty-seven of the revised statutes, on  
35 banks and savings institutions, passed at the present

36 sitting of the legislature. And the supreme judicial  
37 court, or any justice thereof, in term time or vacation,  
38 may make such rules, orders and decrees, from time  
39 to time, as may be necessary, the court or justice act-  
40 ing according to the course of chancery proceedings.

SECT. 10. The said commissioner shall see that all  
2 foreign insurance companies and their agents, doing  
3 business in this state, duly comply with the laws of  
4 the state, in relation to foreign insurance companies;  
5 and when it shall come to his notice that any such for-  
6 eign insurance company, or its agent, has violated any  
7 such law, the said commissioner shall report the facts  
8 to the secretary of the state, who shall give notice of  
9 the same to the attorney general; and the attorney  
10 general, in behalf of the state, shall prosecute the  
11 guilty parties for such violation.

SECT. 11. Every insurance company not incorporated  
2 by this state, but transacting business in it, shall by  
3 a written power of attorney, appoint some citizen of  
4 this state, residing therein, their attorney. A copy of  
5 such power of attorney, duly certified and authenti-  
6 cated, shall be filed with the secretary of state, and  
7 copies thereof duly certified by such secretary shall  
8 be received in evidence in all courts of this state.  
9 In case of the decease or disability of said attorney to

10 act, it shall be the duty of said corporation to make a  
11 new appointment, so that at all times while any liabil-  
12 ity remains outstanding on such insurance, there shall  
13 be within this state an attorney as aforesaid. Service  
14 of process upon such attorney shall be deemed to be  
15 sufficient service upon his principal.

SECT. 12. Every person who shall make insurance  
2 in this state, as the agent for and in behalf of any  
3 corporation established in any other state or country,  
4 or shall make or renew any contract of insurance  
5 within this state, shall, on the first day of October in  
6 each year during the continuance of his agency, make  
7 a return, on oath, to the treasurer of the state, of the  
8 amount insured, or procured to be insured by him,  
9 with the amount paid him, or agreed to be paid, as  
10 premiums or considerations for insurance, and shall,  
11 on the first day of October in each year, pay a tax of  
12 one and half per cent. on the whole amount so paid,  
13 or agreed to be paid, as premiums or considerations  
14 for insurance, according to the return ; but the return  
15 made on the first day of October next, may include  
16 only the amount insured and premiums received since  
17 the passage of this act.

SECT. 13. Every agent of an insurance company  
2 incorporated in another state or country, before making

3 or procuring to be made any contract of insurance as  
4 aforesaid, shall give bond to the treasurer of the state  
5 with two or more sureties, to be approved by the com-  
6 missioner, in the sum of two thousand dollars, with  
7 condition to make such return and pay the tax required  
8 in section twelfth of this act.

SECT. 14. It shall not be lawful for any person to  
2 act within this state as agent or otherwise, in receiving  
3 or procuring applications for insurance, or to issue  
4 policies of insurance, or in any manner to aid in trans-  
5 acting the business of any insurance company or com-  
6 panies not incorporated by or organized under the laws  
7 of this state, until they, in all respects, have complied  
8 with the provisions of this act; and for every such  
9 violation, the person so offending shall be subject to a  
10 penalty of five hundred dollars, to be sued for and  
11 recovered in the name of the state by the state's attor-  
12 ney of the county in which said offence shall be  
13 committed, and one-half of the said penalty, when  
14 recovered, shall be paid into the treasury of this state,  
15 and the other half to the informant of such violation;  
16 and in case of the non-payment of such penalty, the  
17 party so offending shall be liable to imprisonment for a  
18 period not exceeding six month, in the discretion of  
19 any court having cognizance thereof.

STATE OF MAINE.

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HOUSE OF REPRESENTATIVES, }  
March 9, 1860. }

On motion of Mr. McCRILLIS of Bangor,

Laid on the table and 350 copies ordered to be printed for the  
use of the Legislature.

CHARLES A. MILLER, *Clerk.*