

MAINE STATE LEGISLATURE

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March 16, 1938

John S. S. Fessenden, Esquire
Assistant Attorney General
351 Water Street
Augusta, Maine

Dear Mr. Fessenden:

I have your letter of February 9, in regard to insurance on the property and equipment of the Unemployment Compensation Commission. I regret the delay in replying to it but you probably know I have been out of the office most of the time for the past month in the trial of cases, and it did not get attended to.

Answering the specific questions in your letter:

1. The State is carrying a policy covering loss by fire to property and equipment owned by the State. The policy at one time was limited to such property and equipment in State buildings, but within the past two months the amount of the policy was increased in the sum of \$72,000, and the policy was made to apply to all property and equipment owned by the State, including that in the offices of the Unemployment Compensation Commission, the Old Age Assistance Bureau and the Commodity Distribution Service. It is felt that there is now sufficient coverage to take care of any possible loss.
2. Other than the duty of exercising good business judgment in the handling of State affairs, there is no statutory or mandatory duty upon any department head to maintain such insurance, but it is the policy of the State to keep all of its real and personal property adequately covered by insurance. It has always done so and, of course, always will continue to do so, unless and until the Legislature decides to be its own insurer - a contingency which does not seem to be very apparent at this time.
3. The policy of the State is to pay over to any department head, the property of which is damaged by fire, the entire proceeds collected as insurance. This money goes into the department funds and can be used by the department

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to replace the damaged or destroyed property, or for any other proper purpose.

4. There is no mandatory duty on any officer or agency of the State to make available to the Commission the proceeds required on account of any such loss. But, as stated above, such is the property of the State and there would be no other place to put any such funds received.

The carrying of any additional insurance by the Commission in addition to the coverage already provided by the State's blanket policy would seem to me to be a duplication of expense and entirely unwarranted, and if the decision of the Commission is to carry its own insurance the State's blanket policy should be reduced and coverage for the Unemployment Compensation Commission's property removed.

I should be glad to discuss this with you further if you think it advisable.

Very truly yours,

Franz U. Burkett
Attorney General

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