

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 1260

S. P. 394

In Senate, February 7, 1961

Referred to Committee on Business Legislation. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Pike of Oxford by request.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Relating to Fraternal Benefit Societies.

Emergency preamble. Whereas, acts of the Legislature do not become effective for 90 days after adjournment unless enacted as emergencies; and

Whereas, the examination of domestic fraternal benefit societies, as well as other domestic insurance companies, has always been conducted at the expense of the insurance department; and

Whereas, P. L. 1957, c. 217, a uniform bill for the regulation of fraternal benefit societies, provided that the examination of a domestic fraternal benefit society should be at expense of the society; and

Whereas, such societies are unable to bear the expense of examination; and

Whereas, one such society has already been examined since P. L. 1957, c. 217 became effective and others must be examined shortly; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health, and safety; now, therefore,

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

Sec. 1. R. S., c. 60-A, § 36, amended. The last sentence of section 36 of chapter 60-A of the Revised Statutes, as enacted by section 1 of chapter 217 of the public laws of 1957, is amended to read as follows:

'The expense of each examination and of each valuation, including compensation and actual expense of examiners, shall be paid by the ~~society examined or whose certificates are valued, upon statements furnished by the~~ Insurance Commissioner. This includes travel expenses if the society does all its direct business entirely within the State.'

Sec. 2. R. S., c. 60-A, § 37, amended. Section 37 of chapter 60-A of the Revised Statutes, as enacted by section 1 of chapter 217 of the public laws of 1957 and as amended by section 7 of chapter 188 of the public laws of 1959, is further amended to read as follows:

'Sec. 37. Examination of foreign and alien societies. The insurance commissioner, or any person whom he may appoint, may examine any foreign or alien society transacting or applying for admission to transact business in this State. He may employ assistants and he, or any person he may appoint, shall have free access to all books, papers and documents that relate to the business of the society. He may in his discretion accept, in lieu of such examination, the examination of the insurance department of the state, territory, district, province or country where such society is organized. **The expense of each examination and of each valuation, including compensation and actual expense of examiners, shall be paid by the society examined or whose certificates are valued, upon statements furnished by the Insurance Commissioner.'**

Sec. 3. R. S., c. 60-A, § 29, sub-§ IV, ¶ A, amended. Paragraph A of subsection IV of section 29 of chapter 60-A of the Revised Statutes, as enacted by section 1 of chapter 217 of the public laws of 1957, is amended to read as follows:

'A. The insurance commissioner may issue a license to any person who has paid an annual license fee of \$5 and who has complied with the requirements of this section, on payment of the fee provided in chapter 60, section 314, subsection IV, authorizing such the licensee to act as an insurance agent on behalf of for any society named in such the license which is authorized to do transact insurance business in this State.'

Sec. 4. R. S., c. 60-A, § 35, sub-§ I, amended. Subsection I of section 35 of chapter 60-A of the Revised Statutes, as enacted by section 1 of chapter 217 of the public laws of 1957, is amended to read as follows:

'I. Financial statement. Every society ~~transacting which transacts insurance~~ business in this State shall annually, on or before the first day of March, unless for cause shown such time has been extended by the insurance commissioner, file with the insurance commissioner a true statement of its financial condition, transactions and affairs for the preceding calendar year and pay a filing fee of \$5 as provided in chapter 60, section 314, subsection VIII for filing same. The statement shall be in general form and context as approved by the National Association of Insurance Commissioners for fraternal benefit societies and as supplemented by additional information required by the insurance commissioner.'

Sec. 5. R. S., c. 60, § 314, sub-§ I, ¶ A, amended. Paragraph A of subsection I of section 314 of chapter 60 of the Revised Statutes, as repealed and

replaced by section 18 of chapter 346 of the public laws of 1959, is amended to read as follows:

'A. License to a foreign insurance company, foreign surety company or foreign fraternal ~~beneficiary association~~ **benefit society** to do business in this State, \$50.'

Sec. 6. R. S., c. 60, § 314, sub-§ V, ¶ A, amended. Paragraph A of subsection V of section 314 of chapter 60 of the Revised Statutes, as repealed and replaced by section 18 of chapter 346 of the public laws of 1959, is amended to read as follows:

'A. License to a resident agent of any insurance company, surety company or fraternal ~~beneficiary association~~ **benefit society**, \$2.'

Sec. 7. R. S., c. 60, § 314, sub-§ VIII, amended. Subsection VIII of section 314 of chapter 60 of the Revised Statutes, as repealed and replaced by section 18 of chapter 346 of the public laws of 1959, is amended to read as follows:

'VIII. **Filing annual statement.** The fee for filing the annual statement submitted by each insurance company **or fraternal benefit society** is \$50.

A. A domestic mutual fire insurance company writing only on the assessment basis need not pay this fee.'

Sec. 8. R. S., c. 60, § 314, sub-§ IX, amended. Subsection IX of section 314 of chapter 60 of the Revised Statutes, as repealed and replaced by section 18 of chapter 346, is amended to read as follows:

'IX. **Receiving service of process.** The fee for receiving service of process in a suit against any foreign insurance company, surety company or fraternal ~~beneficiary association~~ **benefit society** or against a person making a reciprocal contract of indemnity is \$2.

A. This shall be paid by the plaintiff at the time of service.

B. The plaintiff may recover this fee as part of the taxable costs of the suit if he prevails.'

Sec. 9. Section 1 retroactive. Section 1 of this act shall be retroactive to August 28, 1957.

Emergency clause. In view of the emergency cited in the preamble, this act shall take effect when approved.