

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

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**Legislative Document**

**No. 917**

H. P. 662

House of Representatives, February 16, 1967

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Fortier of Waterville.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-SEVEN

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**AN ACT to Incorporate the Down East Life Insurance Company.**

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

**Sec. 1. Corporators.** Robert M. Tonge, Donald O. Smith, Fred M. Petra, W. Garland Jones and G. Cecil Goddard, their associates and successors, and all others who may hereafter become members of this company as hereinafter provided, are hereby constituted a body corporate by the name of the "Down East Life Insurance Company" and by that name may sue and be sued; appear, prosecute and defend suits to final judgment and execution in any courts and elsewhere; may have a common seal and alter the same at pleasure; may purchase, hold and convey in this State, or in any other state of country, all such property, real and personal, as may be deemed necessary for the use or accommodation of the business of the company or for the investment of its funds; may purchase or otherwise acquire the whole or any part of the franchises, business, property, assets and assume the liabilities of any corporation or association, organized under the laws of this State or of any other state, carrying on any type of insurance business similar or related to any business which this company is authorized to carry on, and to pay for the same either in cash, or by the issuance or exchange of its stock or otherwise, and when such business or property is acquired to operate same as a part of the business of this company or separately; and this company may sell, lease, consolidate, merge or in any manner part with its franchises or its entire property, or any of its property, corporate rights or privileges essential to the conduct of its corporate business and purposes, to or with one or more corporations or associations organized under the laws of this State or of any other state, any such sale, lease, consolidation, merger, or other such transfer shall be effected in accordance with the Revised Statutes of Maine, 1964, Title 13, sections 241 to 250, and sections 281 to 291, as

amended, or as may hereafter be amended, subject to the conditions contained in the aforesaid sections, and also subject to the written approval of the Insurance Commissioner for the State of Maine in such as said Insurance Commissioner may prescribe.

**Sec. 2. Authorized to issue life, disability and health insurance.** The company may issue contracts of life, disability and health insurance, and may grant annuities and endowments, and all such contracts shall be signed by the president or vice president and by the secretary thereof; and the same shall bind the said company, upon delivery and upon payment of the premium chargeable thereon to the satisfaction of the directors and in accordance with their rules and regulations. Upon the death of any person upon whose life this company shall have a subsisting policy of insurance, the sum insured shall become due and payable in 90 days from the time the same shall be proved and established according to the terms of such policy, unless the policy provides for a different time of payment. The said company may cause itself to be insured against the hazard of any risk assumed by it.

The company is authorized to issue stock to the value of \$500,000 at a par value of \$10 per share. The company, by a vote representing a majority of the voting stock, at any regular or special meeting of the stockholders called for that purpose, may increase its capital stock to a sum not to exceed \$5,000,000, decrease its capital stock to a sum not less than \$200,000, or change the par value of its capital stock. The amount of capital stock of this company, required under the statutes of Maine to be paid in, shall be the amount of such capital stock as may be authorized by the stockholders of this company from time to time, within the limitations set forth herein. Notwithstanding the foregoing provisions of this paragraph or the provisions of any general statute of Maine, now or hereafter enacted to the contrary, the board of directors of the company may from time to time set aside a number of shares of the company's authorized capital stock, not exceeding 10% of such authorized capital stock as the same may be increased from time to time by the stockholders, for issuance upon the exercise of stock options granted or to be granted from time to time by the board of directors to officers, directors, employees, general agents and agents of the company. Said shares so set aside by the board of directors shall be exempt from the provisions of the Revised Statutes of Maine, 1964, Title 24, section 515, as said section now exists or may hereafter be amended, requiring all capital stock to be paid in, but the number of shares so set aside shall be reported on the certificate, in addition to the information required by the aforesaid Title 24, section 515, to be filed with the Insurance Commissioner for the State of Maine, and thereafter upon issuance of all or part of said shares so set aside, additional certificates may from time to time be filed, as contemplated by the aforesaid Title 24, section 515, which certificates shall set forth the number of shares issued upon the exercise of such stock options; and the company may, when said additional certificates have been approved and filed in accordance with the aforesaid Title 24, section 515, thereafter transact business on its capital as increased by the number of shares issued as stated in such additional certificates. For the purposes of the annual issuance of "like certificates" specified in said Revised Statutes of Maine, 1964, Title 24, section 53, as said section now exists or may hereafter be amended, authorized but unissued shares of the company so

set aside shall be excluded from the term "capital stock." The board of directors shall have the authority to establish and determine the officers, directors, employees, general agents and agents who shall be entitled to participate in the receipt of such stock options and the terms and conditions of such participation, including the number of shares which each individual so participating shall be entitled to purchase, the price or prices, not less than the par value thereof, at which such shares may be issued upon the exercise of such options, and the total number of shares, within the limitation of this paragraph, to be so set aside for such issuance. It shall deposit with the Treasurer of State, prior to the issuance of a license by the Insurance Commissioner, the sum of \$200,000, to be held by the Treasurer of State as a deposit in the interest of all the policyholders.. The deposit shall be subject to the same regulations as similar funds held in trust by the Treasurer of State.

As soon as practical after legislative enactment of this charter, the above incorporators or a majority thereof shall call the first meeting of said company by giving notice of the time and place for holding the same, in one of the newspapers printed in Waterville 15 days at least prior to the said meeting; and it shall be lawful for the said incorporators and their associates then and there to choose by ballot a board of not less than 9 nor more than 15 directors, who shall be members of said company, and continue in office until others shall be chosen as hereinafter provided.

**Sec. 3. Annual meeting.** An annual meeting of the said company shall be held on the 2nd Wednesday in January, or within one month thereafter, in each year, at Waterville, Maine. The date for the annual meeting may be changed by a vote of the stockholders, representing 1/3 of the authorized and issued shares of the company, at any regular or special meeting of the stockholders called for that purpose. At all annual meetings of the stockholders, directors shall be chosen, as provided by the company's bylaws, to fill the places of those whose terms shall then expire, and transact such other business as may be included in the call for said meeting. Public notice of said meetings shall be given by the secretary as provided for in the company's bylaws and in one or more newspapers printed in Waterville, Maine, 15 days at least prior to the said meetings.

**Sec. 4. Directors.** The directors shall continue in office during the term for which, under the bylaws, they are chosen and until a new election shall be made. They shall have power to fill any vacancy in the board, which may happen by death or otherwise, until the next annual election of directors. Five directors shall constitute a quorum for the transaction of business. They shall fix and determine the rate of premium on all policies of insurance that the company shall issue, and the terms and manner of the payment thereof, and may adopt such bylaws and other rules and regulations for discharging the various functions and conducting and transacting the business and affairs of the company as they shall deem necessary and useful. They may exercise all the corporate powers of said company not inconsistent with the provisions of this charter or the other laws of the State. They may hold their meetings within or without the State of Maine and may be residents of this State or any other state. Subject to the written approval of the Insurance Commissioner, the princi-

pal office of the company may be located without the State of Maine but stockholders' meetings will be held within the State of Maine.

**Sec. 5. Officers.** The directors shall have power to choose a president, vice president, secretary and clerk, and such other officers and agents as they may deem necessary for the prosecution of the business of the company, who may or may not be members of the board of directors. They shall prescribe the term of office, the duties and compensation of said officers and agents, and take such bond or security from them as they may think proper for the faithful discharge of their respective duties.

**Sec. 6. Duties of directors.** The directors shall at all times superintend the affairs and manage the funds, property and estate of the company and shall invest them in the name of the company, or they may invest them in the name of trustees whenever they deem it necessary to do so in order to preserve and protect the interests of the company and to secure a perfect title to property held as investments or as security for investments.

**Sec. 7. Application.** Nothing herein contained shall be construed to exempt said company from the operation of the general laws of the State and the company shall at all times be under the insurance laws of the State and regulations of the Insurance Commissioner.