

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1389

S. P. 538

In Senate, March 8, 1967

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

JERROLD B. SPEERS, Secretary

Presented by Senator Mills of Franklin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT Relating to Exemption of Property from Attachment and Execution.

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

Sec. 1. R. S., T. 13, § 2606, amended. Section 2606 of Title 13 of the Revised Statutes is amended to read as follows:

§ 2606. Benefits not attachable

No money or other benefit, charity, relief or aid to be paid, provided or rendered by any society, **to the extent that the same are deemed exempt as provided by Title 24, section 426**, shall be liable to attachment, garnishment or other process, or to be seized, taken, appropriated or applied by any legal or equitable process or operation of law to pay any debt or liability of a member or beneficiary, or any other person who may have a right thereunder, either before or after payment by the society.

Sec. 2. R. S., T. 14, § 4401, sub-§§ 1, 2, amended. The first paragraph of section 4401 and subsections 1 and 2 of section 4401 of Title 14 of the Revised Statutes are amended to read as follows:

The following personal property is exempt from attachment and execution **and such right of exemption may not be waived, pledged or given as security or collateral except as security for the purchase thereof:**

1. **Apparel, furniture, bed.** The debtor's apparel; household furniture necessary for himself, wife and children, not exceeding ~~\$200~~ **\$500** in value, and one bed, bedstead and necessary bedding for ~~every~~ **each** such ~~persons~~ **person**.

2. **Bibles, statutes, watch, ring.** All family portraits, Bibles and school books in actual use in the family; one copy of the statutes of the State, a library not

exceeding \$150 in value, a watch not exceeding ~~\$10~~ \$50 in value and a wedding ring ~~or~~ and an engagement ring not exceeding ~~\$10~~ \$200 in value.

Sec. 3. R. S., T. 14, § 4401, sub-§§ 4, 5, 6, amended. Subsections 4, 5 and 6 of section 4401 of Title 14 of the Revised Statutes are amended to read as follows:

4. Stoves, coal, wood. One cooking stove; all iron stoves used exclusively for warming buildings; charcoal, and not exceeding 12 cords of wood conveyed to his house for the use of himself and family; all anthracite coal, not exceeding 5 tons; all bituminous coal, not exceeding 50 bushels; ~~and~~ \$50 worth of lumber, wood or bark; **all heating gas, fuel oil and kerosene, not exceeding \$200 in value, for use of the debtor and his family for heating and cooking purposes.**

5. Farm produce. All produce of farms until harvested; one barrel of flour; 50 bushels of oats; 50 barrels of potatoes; corn and grain necessary for himself and family, not exceeding 30 bushels; and other **food** provisions raised or bought and necessary for himself and family; and all flax raised on a half acre of land and all articles manufactured therefrom for the use of himself and family.

6. Trade tools, sewing machine, refrigerator, washing machine, musical instruments. The tools necessary for his trade or occupation, **including power tools**, materials and stock designed and procured by him and necessary for carrying on his trade or business and intended to be used or wrought therein, not exceeding ~~\$100~~ \$500 in value, and one sewing machine, **one refrigerator** and one washing machine not exceeding ~~\$100~~ \$200 each in value for actual use by himself or family; the musical instruments used by him in his profession as a professional musician, not exceeding \$200 in value.

Sec. 4. R. S., T. 14, § 4552, amended. The 3rd sentence of section 4552 of Title 14 of the Revised Statutes is amended to read as follows:

So much of such property as does not exceed ~~\$1,000~~ \$5,000 in value is exempt from attachment or levy on execution issued on a judgment recovered for any debt, contracted jointly or severally by such person after the date of the recording thereof.

Sec. 5. R. S., T. 24, § 426, repealed and replaced. Section 426 of Title 24 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 426. Exemption from claims of creditors; rights of beneficiaries and assignees

Certain policies of insurance shall be exempt from claims of creditors, and the rights of beneficiaries and assignees thereof shall be protected, as set forth.

Except in cases of transfers with intent to defraud creditors, if a contract of life, endowment, annuity or accident insurance, whether heretofore or hereafter issued, is effected by any person on his own life or on another life, in favor of a person other than himself or is assigned or in any way made payable to any other person, the lawful beneficiary or assignee thereof, other than the insured or the person so effecting such contract of insurance or executors or administrators of such insured or of the person so effecting such contract of insurance shall be entitled to its proceeds and avails against the creditors and representatives of the

insured and of the person effecting the same, whether or not the right to change the beneficiary is reserved or permitted and whether or not the contract of insurance is made payable to the person whose life is insured if the beneficiary or assignee shall predecease such person; provided that if the cash surrender value of any contract of life, endowment, annuity or accident insurance is or may be made payable to the insured or to the person effecting such contract of insurance at his option without the consent of the beneficiary or assignee thereof, then the cash surrender value of any such contract of insurance shall be liable to the claims of creditors of the insured or of the person effecting such contract of insurance by attachment or execution. Subject to the statute of limitations, the amount of any premiums for said contract of insurance paid with intent to defraud creditors, with interest thereon, shall inure to the benefit of said creditors from the proceeds of the contract of insurance; but the company issuing the contract shall be discharged of all liability thereon by payments of its proceeds in accordance with its terms, unless before such payment the company shall have been given written notice, by or in behalf of a creditor, of a claim to recover for transfer made or premiums paid with intent to defraud creditors, and unless such company shall have been served with trustee process for the cash surrender value of any such contract of insurance as required by law prior to making payment of the proceeds in accordance with the terms of said contract of insurance.

If any group annuity contract or pension trust, whether heretofore or hereafter issued, is effected by an employer for the benefit of his employees, whether or not requiring any contribution toward the cost thereof by such employees, the interest of any employee, beneficiary or joint or contingent annuitant in any policy, certificate or fund in connection therewith and his interest in any payments or proceeds thereof and in any optional or death benefits shall not in any way be subject to execution, levy, attachment, garnishment, trustee process or any other legal or equitable process.

Sec. 6. R. S., T. 24, § 1010, amended. Section 1010 of Title 24 of the Revised Statutes is amended to read as follows:

§ 1010. Benefit or relief not liable to attachment; change of beneficiary

~~The~~ Any money or other benefit, charity, relief or aid to be paid, provided or rendered by any corporation authorized to do casualty insurance business on the assessment plan under this Title shall not be liable to attachment by trustee or other process, and shall not be seized, taken, appropriated or applied by any legal or equitable process or by operation of law to pay any debt or liability of a policy or certificate holder or any beneficiary named therein **to the extent that the same are deemed exempt by virtue of section 426.** The beneficiary named in any certificate may be changed by the insured at any time under such regulations as the corporation may prescribe.