

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 605

H. P. 450 House of Representatives, February 4, 1971
Referred to Committee on Business Legislation. Sent up for concurrence
and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Hodgdon of Kittery.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

**AN ACT Amending Charter of Eliot and Kittery Mutual Fire Insurance
Company.**

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

Sec. 1. P. & S. L., 1844, c. 164, § 1, amended. Section 1 of chapter 164 of the private and special laws of 1844, is amended to read as follows:

Sec. 1. Gowen Wilson, William Fogg, William Hammond, James Knowlton, Horace Stacy, Moses Paul, George A. Hammond, James Shapleigh, Jun., and John R. Hanscom, with their associates and successors, are hereby created a body corporate by the name of the Eliot and Kittery Mutual Fire Insurance Company, with power by that name to prosecute and defend suits at law, to have and use a common seal, to make by-laws and regulations for the management of their affairs not repugnant to the laws of the state; to have guaranty capital shares and to issue certificates therefor, to purchase and hold such real and personal estate, as may be necessary to effect the objects of the association, and to enjoy all the rights and powers incident to such corporations.

Sec. 2. P. & S. L., 1844, c. 164, § 3, amended. The first sentence of section 3 of chapter 164 of the private and special laws of 1844, is amended to read as follows:

The office of said company shall be kept ~~either in the towns of Eliot or Kittery, in such town in the county of York as the said company shall determine;~~ and the annual meeting shall be held, ~~in said Eliot or Kittery~~ at the office of said company, on the first Monday of June, annually, or on such other day as the said company may hereafter determine; at which meeting

shall be chosen, by a major vote of the members present, a board of directors, to consist of such number as the said company may determine at said meeting.

Sec. 3. P. & S. L., 1844, c. 164, § 4, amended. The 3rd sentence of section 4 of chapter 164 of the private and special laws of 1844 is amended to read as follows:

They shall determine the rates of insurance, and may fix the sum to be insured on any building or property, ~~not exceeding three-fourths of its value~~ and the amount of the note to be deposited for the insurance thereof **under the assessment plan.**

Sec. 4. P. & S. L., 1844, c. 164, § 5, amended. Section 5 of chapter 164 of the private and special laws of 1844 is amended to read as follows:

Sec. 5. Said company may issue prepaid or cash plan policies or assessment type policies. Every person who shall become a member of said company by effecting insurance therein, **under the assessment plan** shall, before he receives his policy, deposit his promissory note for such sum of money as the directors shall determine, a part of which note, not exceeding ten per cent., shall, immediately, be paid for the purpose of defraying the incidental expenses of the company, and indorsed thereon; and the remainder of said note shall be paid wholly or in part, at such time as the directors shall require, for the payment of losses or other expenses; and in thirty days after the expiration of the terms of insurance, said note, or such part thereof as may remain unpaid, after deducting all losses and expenses accruing during said term, shall be relinquished and given up to the signer thereof, his heirs, executors or assigns.

Sec. 5. P. & S. L., 1844, c. 164, § 6, amended. The first sentence of section 6 of chapter 164 of the private and special laws of 1844 is amended to read as follows:

Whenever said company shall make insurance **under the assessment plan** on any building, such building, the land under the same, and appurtenances thereof, shall be holden as security for such deposit money and assessments, as the person thus insured shall be liable to pay; and the policy of insurance shall, from the time it issues, create a lien on said buildings and land therefor, which shall continue, notwithstanding any transfer of the property.

Sec. 6. P. & S. L., 1844, c. 164, § 7, repealed. Section 7 of chapter 164 of the private and special laws of 1844 is repealed.

Sec. 7. P. & S. L., 1844, c. 164, § 8, amended. The first sentence of section 8 of chapter 164 of the private and special laws of 1844 is amended to read as follows:

The directors, after receiving notice of any loss or damage ~~by fire~~, sustained by any member, **under the assessment plan** and ascertaining the amount of the same, may settle and determine the sums to be paid by the several members of said company, as their respective proportions of such loss, and publish the same in such manner as the by-laws may prescribe.

Sec. 8. P. & S. L., 1844, c. 164, § 9, amended. Section 9 of chapter 164 of the private and special laws of 1844, as amended by chapter 6 of the private and special laws of 1935, is further amended to read as follows:

Sec. 9. Term of insurance and description of property that may be insured. Said company may make insurance for any term of time, not exceeding 7 years, on any ~~house or other building, household furniture, machinery and goods in any building~~ property in the State of Maine, against damage as permitted by the statutes governing mutual insurers ~~by fire originating from any cause other than design in the insured.~~

Sec. 9. P. & S. L., 1844, c. 164, § 10, repealed. Section 10 of chapter 164 of the private and special laws of 1844 is repealed.

Sec. 10. P. & S. L., 1844, c. 164, § 13, amended. Section 13 of chapter 164 of the private and special laws of 1844 is amended to read as follows:

Sec. 13. The powers granted by this act may be enlarged or restrained at the pleasure of the Legislature, and no ~~director or~~ member of said company shall, in any case, be liable beyond the amount of his said note deposited as aforesaid; and no policy shall be issued by said company, until applications for insurance to the amount of twenty thousand dollars shall have been made and accepted.

STATEMENT OF FACT

This company was organized in 1844. Only one change has been made in the charter since it was organized.

The business of the company has decreased to such an amount that its reserves do not warrant its continuing to operate as a separate entirety, so it is considered advisable to merge with the York County Mutual Insurance Company. To effectuate this merger it is necessary to authorize the change of location of the principal office as the charter provides it must be in either Eliot or Kittery.

The other changes are essential to the future growth of the company when it has been transferred.