

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 243**

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H. P. 181

House of Representatives, February 3, 1977

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

EDWIN H. PERT, Clerk

Presented by Ms. Clark of Freeport.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT Relating to Domestic Insurers' Assets.**

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

24-A MRSA § 3408, sub-§ 2, ¶ C is enacted to read:

C. Such public obligation securities of the United States issued through a book entry system of any Federal Reserve Bank, and for which no engraved certificate has been physically issued. An insurer making such investments shall do so subject to an indemnification agreement with the member bank of the Federal Reserve System employing the book entry system, which agreement will protect the insurer from any loss occasioned by any disappearance, damage or destruction of records within such book entry accounting system.

STATEMENT OF FACT

This bill, if enacted, will provide for the recognition of certain assets of domestic insurers. Federal Reserve Banks, effective December, 1976, will convert to a "book entry" system to account for U. S. Treasury and certain U. S. agency securities issues. Engraved certificates in definitive form will not be supplied to investors, some of which may be Maine domestic insurers. This bill will allow these insurers to continue to invest in such government issues although certificates are not physically held in a Maine depository.