

MAINE STATE LEGISLATURE

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(EMERGENCY)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document No. 1897

H.P. 1445 House of Representatives, January 10, 1984

Submitted by the Department of Business, Occupational and Professional Regulation pursuant to Joint Rule 24.

Reference to the Committee on Business Legislation is suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Benoit of So. Portland.

Cosponsors: Representative Racine of Biddeford and Representative Stevens of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FOUR

**AN ACT to Clarify Executive and
Judicial Authority Regarding the
Dissolution of Delinquent Insurers.**

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

Whereas, the dissolution of the corporate existence of delinquent insurers which have been or are to be liquidated and the prompt turnover to the Treasurer of State of abandoned property held or arising in the course of such liquidations are essential to the public peace, health and safety; and

Whereas, there are currently pending certain delinquency and receivership proceedings pursuant to the Maine Insurance Code in which the Superintendent of Insurance, as statutory receiver of a domestic insurer, has custody of unclaimed funds in excess of

1 \$100,000, all of which is or is to become "abandoned
2 property" payable to the Treasurer of State pursuant
3 to the Maine Abandoned Property Law, Title 33, chap-
4 ter 27; and

5 Whereas, the most expeditious transfer of this
6 abandoned property will be possible under Title 33,
7 section 1309 of the Abandoned Property Law, which
8 permits the immediate turnover of abandoned property
9 to the Treasurer of State upon the entering of a de-
10 cree of dissolution and thus eliminates the substan-
11 tial holding periods otherwise imposed under the law;
12 and

13 Whereas, the benefits of Title 33, section 1309
14 of the Abandoned Property Law are not available un-
15 less such decree of dissolution is entered; and

16 Whereas, transfer of such abandoned property to
17 the Treasurer of State and a winding up of such re-
18 ceivership proceedings is currently being delayed by
19 the lack of clarity in the provisions of the Insur-
20 ance Code relating to delinquent insurers under liq-
21 uidation; and

22 Whereas, it is essential that these provisions of
23 the Insurance Code be clarified to make explicit the
24 authority of the Superior Court, upon motion of the
25 superintendent, to enter a decree of dissolution in
26 order to facilitate the immediate transfer of this
27 substantial amount of abandoned property to the State
28 Treasury and to eliminate further delay in the admin-
29 istration and winding up of that receivership; and

30 Whereas, in the judgment of the Legislature,
31 these facts create an emergency within the meaning of
32 the Constitution of Maine and require the following
33 legislation as immediately necessary for the preser-
34 vation of the public peace, health and safety; now,
35 therefore,

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

38 Sec. 1. 24-A MRSA §4362-A is enacted to read:

39 §4362-A. Dissolution of domestic insurer

