

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 379

S.P. 156

In Senate, February 1, 1995

**An Act Amending the Charter of the Mutual Fire Insurance Company.**

(EMERGENCY)

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by President BUTLAND of Cumberland. (GOVERNOR'S BILL).  
Cosponsored by Representative NADEAU of Saco and  
Senator: PENDEXTER of Cumberland, Representatives: GWADOSKY of Fairfield,  
POIRIER of Saco.

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

4           Whereas, the Mutual Fire Insurance Company of Saco was  
6 chartered through a Private and Special Law of the Maine  
Legislature in 1827; and

8           Whereas, the company is required to file a statement of  
10 financial condition with insurance regulators on or before March  
1, 1995; and

12           Whereas, the Superintendent of Insurance has approved a plan  
14 that provides for a corporate restructuring and recapitalization  
through the issuance of guaranty capital shares; and

16           Whereas, the Legislature must amend the Mutual Fire  
18 Insurance Company's charter to allow the restructuring and  
recapitalization plan prior to March 1, 1995 filing date; and

20           Whereas, in the judgment of the Legislature, these facts  
22 create an emergency within the meaning of the Constitution of  
Maine and require the following legislation as immediately  
24 necessary for the preservation of the public peace, health and  
safety; now, therefore,

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

28           **Sec. 1. P&SL 1827, c. 485, §§11 and 12** are enacted to read:

30           **Sec. 11. Guaranty capital shares.** That the corporation may  
32 issue a class of guaranty capital shares, of up to 40,000 shares,  
34 with a par value of \$100 per share and with the rights and  
36 preferences of the guaranty capital shares to be in accordance  
38 with the Maine Insurance Code, or its successor, and the board of  
40 directors of the corporation may designate the rights and  
preferences and approve the issuance of the guaranty capital  
shares in a manner consistent with the Maine Insurance Code, or  
its successor.

42           **Sec. 12. Amendments.** That all amendments to the charter do  
44 not require legislative action, but may be made in accordance  
with the Maine Insurance Code, or its successor.

46           **Sec. 2. P&SL 1897, c. 534** is repealed.

48           **Emergency clause.** In view of the emergency cited in the  
preamble, this Act takes effect when approved.

2

**STATEMENT OF FACT**

4           The Mutual Fire Insurance Company of Saco is a domestic  
6           Maine insurance company that was chartered through a Private and  
8           Special Law of the Maine Legislature in 1827. This bill amends  
10           the company's charter to allow for corporate structural changes  
            to be authorized by the board of directors, consistent with  
            current regulatory and industry practice.