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# FORTY-SEVENTH LEGISLATURE.

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SENATE.

No. 29.

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## STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SIXTY-EIGHT.

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AN ACT providing for the appointment of a bank and insurance examiner and defining his duties.

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*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :*

SECTION 1. Instead of two bank commissioners, as  
2 now provided by law, there shall be appointed an ex-  
3 aminer of banks and insurance companies, who during  
4 his continuance in office shall not hold any office in any  
5 bank or insurance company in the state, and who shall  
6 have all the powers and be subject to all the duties of  
7 said bank commissioners. He shall be appointed by  
8 the governor, with the advice and consent of the coun-  
9 cil, and shall hold his office for three years, subject to  
10 removal at any time by the appointing power. He

11 shall be paid his actual travelling expenses and four  
12 dollars per day for every day employed in his official  
13 duties, not however in the whole to exceed six hun-  
14 dred dollars in any year, and the governor and council  
15 shall audit his account and draw their warrant on the  
16 treasurer for the amount found due.

SECT. 2. Said examiner, in addition to his said  
2 powers of the bank commissioners as aforesaid, shall  
3 make an annual examination of each insurance com-  
4 pany in the state, and shall also make an additional  
5 examination of any company at such time as the gov-  
6 ernor and council may direct, or whenever requested  
7 in writing by five or more persons, each of whom shall  
8 be a stockholder, or creditor or otherwise pecuniarily  
9 interested therein. Said examiner shall at all times  
10 have free access to the books and papers of every such  
11 insurance company, and shall thoroughly inspect and  
12 examine all its affairs, and make all inquiries he may  
13 deem necessary to ascertain its condition and ability to  
14 fulfil its engagements, and whether it has complied  
15 with all the provisions of law applicable to its transac-  
16 tions.

SECT. 3. He may at any time require the agents of  
2 any insurance company located out of the state to ex-  
3 hibit the books kept by them relating to such agencies,  
4 and to make answer in writing or otherwise and under

5 oath to all reasonable questions proposed by said exam-  
6 iner in order to elicit a full statement of the business  
7 done for the company represented by such agent ; and  
8 any agent refusing or neglecting to answer within a  
9 reasonable time such interrogatories shall be prohibited  
10 from any longer acting as an insurance agent ; and if  
11 he shall knowingly procure payment or any obligation  
12 for the payment of any premium for insurance by  
13 fraudulent representations, he shall for each offence be  
14 punished by a fine not exceeding one thousand dollars  
15 or by imprisonment not exceeding one year.

SECT. 4. Said examiner may summon and examine  
2 on oath, which he may administer, the directors, officers  
3 and agents of any insurance company, and such other  
4 persons as he may think proper, in relation to the af-  
5 fairs, transactions and condition of such company, and  
6 whoever without justifiable cause refuses to testify  
7 when so required, or who obstructs the examiner in  
8 the discharge of his official duty, shall for each offence  
9 be punished by a fine not exceeding one thousand dol-  
10 lars or by imprisonment not exceeding one year.

SECT. 5. If upon examination the said examiner is  
2 of opinion that a company is insolvent, or that its con-  
3 dition is such as to render its further proceedings haz-  
4 ardous to the public or those holding its policies, he  
5 shall apply to a justice of the supreme judicial court

6 to issue an injunction restraining said company in  
7 whole or in part from further proceeding with its busi-  
8 ness until a full hearing can be had. Such justice  
9 shall forthwith issue the injunction, and after full hear-  
10 ing of all parties interested may dissolve or modify the  
11 same or make it perpetual. And he may make such  
12 orders and decrees as may be needful to suspend, re-  
13 strain or prohibit the further continuance of the busi-  
14 ness of the company, and may appoint agents or re-  
15 ceivers to take possession of the property and effects of  
16 the company, subject to such rules and orders as are  
17 from time to time, according to proceedings in equity,  
18 prescribed by the court or a justice thereof in vacation.

SECT. 6. He shall prepare suitable forms for the re-  
2 turns required to be made by insurance companies and  
3 agents, subject to the approval of the governor and  
4 council, and shall annually, in the month of Septem-  
5 ber, furnish to each insurance company in the state,  
6 and to the agents known to him of insurance compa-  
7 nies out of the state, but doing business in this state,  
8 two or more printed copies of the forms of returns to  
9 be made by them.

SECT. 7. When in his opinion an insurance com-  
2 pany, its officers or agents, have violated any law of  
3 the state relative to such company, he shall forthwith  
4 report the facts with such statements and remarks as

5 he may deem expedient to the secretary of state, and  
6 he shall give notice of the same to the attorney gen-  
7 eral, who shall at once prosecute said company, officer,  
8 or agent thereof.

SECT. 8. He shall keep and preserve in a permanent  
2 form a proper record of the proceedings of each of said  
3 companies, including a concise statement of the condi-  
4 tion of every company visited or examined by him.

SECT. 9. He shall annually, at the earliest practica-  
2 ble date after the returns are received from the several  
3 insurance companies and agents, make a report to the  
4 legislature of the general conduct and condition of the  
5 several insurance companies in this state, (and also as  
6 far as he may be able of companies located out of the  
7 state and doing business therein,) with such sugges-  
8 tions as he may deem expedient, and in connection  
9 therewith shall prepare an abstract of all the returns  
10 and statements made to him by insurance companies  
11 and agents as aforesaid. Such report shall be printed  
12 on or before the first Wednesday of January, annu-  
13 ally.

SECT. 10. Any provision of law requiring the ap-  
2 pointment of two bank commissioners is hereby re-  
3 pealed.



STATE OF MAINE.

IN SENATE, February 17, 1868.

Reported by Mr. STETSON, from the Committee on Banks and Banking, and on his motion laid on the table and five hundred copies ordered to be printed.

THOMAS P. CLEAVES, *Secretary.*