

# MAINE STATE LEGISLATURE

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# FIFTY-FIRST LEGISLATURE.

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SENATE.

No. 7.

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## STATE OF MAINE.

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The Committee on Mercantile Affairs and Insurance, to which was referred the order of the Legislature relating to chapter 49, revised statutes, have had the same under consideration, and ask leave to report the accompanying bill, and that the same may be printed and recommitted.

Per order.

J. B. FOSTER, *Chairman.*

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IN SENATE, January 18, 1872.

Read and accepted.

Sent down for concurrence.

SAMUEL W. LANE, *Secretary.*

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HOUSE OF REPRESENTATIVES, January 19, 1872.

Read and concurred.

S. J. CHADBOURNE, *Clerk.*



# STATE OF MAINE.

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

AN ACT additional to chapter forty-nine of the revised statutes, respecting insurance and insurance companies.

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

SECTION 1. Sections thirty-two and thirty-three of chapter forty-nine of the revised statutes are amended so as to read as follows :

*Sect. 32.* The mortgagee of any property shall have a lien upon any policy of insurance thereon procured by the mortgagor, and notice in writing given by the mortgagor to the company in manner provided by law for the service of writs upon it, shall protect said lien from the time of receiving such notice, the lien to be subject to any defence then existing against the mortgagor. This provision to apply to foreign as well as domestic companies, and to all policies issued by them respectively. No such mortgage shall affect the validity of the policy, until fully foreclosed, whether the company be notified or assent thereto or not.

16 *Sect. 33.* If the mortgagor does not consent to the  
17 payment of the insurance money to the mortgagee, and  
18 the company refuse to pay the same to him, the mort-  
19 gagee may enforce his lien by suit on the mortgage  
20 debt, whether then due and payable or not, against  
21 the mortgagor and the company as his trustee, in  
22 which suit, the obligation of the company, and the  
23 right of the plaintiff in the suit to receive the money,  
24 may be fully tried and judgment rendered for what-  
25 ever may be found due from the company not exceed-  
26 ing the mortgage debt, the judgment, however, not to  
27 be enforced against the principal defendant in any  
28 other way, unless the debt was overdue at the time  
29 suit was commenced.

SECT. 2. Section fifty-seven is amended by substi-  
2 tuting the American Life Tables and four and one half  
3 per cent. interest for determining the value of life  
4 policies, instead of the tables and rate therein pre-  
5 scribed.

SECT. 3. Section sixty-three is amended so as to  
2 read as follows :

3 Any person having a claim against any foreign insur-  
4 ance company, may bring a suit therefor in the courts  
5 of this state, including trustee suits, and service of the  
6 process made upon the person appointed by the com-  
7 pany to receive service in this state by power filed

8 with the insurance commissioner shall be valid and  
9 binding on the company, and hold it to answer to such  
10 suit. If there be no such person so appointed then  
11 such service may be made on any licensed agent of  
12 the company in the state, and if there be no such  
13 agent an attested copy of the writ may be left by the  
14 officer with the insurance commissioner, which service  
15 in either case shall be equally valid and binding as  
16 aforesaid. When service is made by copy left with  
17 the commissioner he shall at once inform the company  
18 thereof by mail, postage prepaid. And the judgment  
19 rendered in such suit shall bind the company in every  
20 respect as a valid judgment, whether the defendants  
21 appear or not. Unless any such judgment is paid  
22 within thirty days after demand made upon such agent  
23 of the company, by the officer holding the execution  
24 the commissioner may on notice and hearing of the  
25 parties suspend the power of the company to do busi-  
26 ness in this state until it is paid, and if the company  
27 or any agent thereof issues any policy in this state  
28 during such suspension said company and agent shall  
29 each forfeit not exceeding one hundred dollars. But  
30 any policy so issued shall be binding on the company  
31 in favor of the holder.

SECT. 4. Section seven is amended so as to read as  
2 follows :

3 The capital and all reserve re-insurance funds of in-  
4 surance companies incorporated in this state, except  
5 such as may be needed for immediate uses, shall be  
6 immediately invested in the funded debt or bonds of  
7 the United States, or any of the New England States,  
8 or in the bonds or securities of county, city or other  
9 municipal corporations of this state, or in the purchase  
10 of real estate in fee, or loans on mortgage of real  
11 estate or deposit in savings banks in this state, or in  
12 the bonds or stocks of incorporated companies of this  
13 state of an undoubted character for credit, insurance  
14 company stock or bonds excepted, and in no case shall  
15 any such funds be loaned on the security of names  
16 alone.

SECT. 5. The assignee of any policy, the assignment  
2 of which has been assented to by the company or its  
3 agent, and any person to whom the policy is made  
4 payable in case of loss, may sue the company on the  
5 policy in his own name, and all sums due on such  
6 policy may be recovered in such suit, subject to any  
7 defence existing against the original party, the as-  
8 signee so suing to hold the judgment or its proceeds  
9 subject to the claims and equities of any other parties  
10 who may be interested therein.

SECT. 6. The insurance commissioner is authorized  
2 to pay his expenses in attendance upon the sessions of

3 the national insurance convention out of any funds in  
4 his hands arising from the fees of his office, and he  
5 may purchase uniform blanks and forms connected  
6 with his office when published elsewhere, provided the  
7 expense thereof shall be less or no more than if printed  
8 by the state printer, the same to be paid as aforesaid.