

MAINE STATE LEGISLATURE

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FIFTY-FOURTH LEGISLATURE.

SENATE.

No. 25.

STATE OF MAINE.

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

[S. 51.] AN ACT relating to mutual fire insurance companies.

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

SECTION 1. Whenever the directors of any mutual
2 fire insurance company, or any mutual marine insur-
3 ance company, shall make an assessment, or call on its
4 members for money, or shall by vote determine that
5 there exists a necessity for such assessment or call,
6 they, or any person interested in the company as an
7 officer, policy-holder, or creditor, may apply to the
8 supreme judicial court for any county, by a petition
9 in the nature of a bill in equity, praying the court to
10 examine said assessment or call, or to determine the
11 necessity therefor, and all matters connected there-

12 with, and to ratify, amend or annul the assessment or
13 call, or to order that the same be made as law and
14 justice may require ; *provided*, such application, when
15 made by any party, except the corporation, or a
16 receiver, or the insurance commissioner, shall rest in
17 the discretion of the court. And whenever the directors
18 shall unreasonably neglect to make an assessment or
19 call, to satisfy an admitted or ascertained claim upon
20 the company, any judgment creditor, or any person
21 holding such admitted or ascertained claim, or the
22 insurance commissioner, may make the application to
23 the court. Upon such application, if made by the
24 directors, or upon order of court, if made by applica-
25 tion of any other party, the directors shall set forth
26 the claims against the company, its assets, and all
27 other facts and particulars appertaining to the matter.

SECT. 2. The court before which such petition is
2 filed shall order notice to be given to all parties
3 interested, by publication or otherwise, and the peti-
4 tion may be filed in vacation, in which case the order
5 of notice may be made by any justice of the court ;
6 and upon the return thereof the court shall proceed to
7 examine the assessment or call, or the necessity there-
8 for, and all matters connected therewith ; and any
9 parties interested may appear and be heard thereon,
10 and all questions that may arise shall be heard and

11 determined as in other equity cases. The court may
12 refer the apportionment or calculation to any compe-
13 tent person; and upon the examination may ratify,
14 amend, or annul the assessment or call, or order one
15 to be made. In case the assessment or call is altered
16 or amended, or one is ordered to be made, the direc-
17 tors shall forthwith proceed to vote the same in legal
18 form, and the record of such vote shall be set forth in
19 a supplemental bill or answer.

SECT. 3. Whenever the court shall appoint a master
2 or auditor, to make the apportionment or calculation
3 for an assessment under the provisions of this act,
4 such master or auditor, shall appoint a time and place
5 to hear all parties interested in the assessment or call,
6 and shall give personal notice thereof in writing to the
7 insurance commissioner, and through the post office,
8 or in such other manner as the court shall direct, so
9 far as he may be able, to all persons liable upon said
10 assessment or call. And said auditor or master shall
11 hear the parties, and make report to the court of all
12 his doings respecting such assessment or call and all
13 matters connected therewith, and all parties interested
14 in such report or assessment shall have the right to be
15 heard by the court respecting the same, in the same
16 manner as is above provided.

SECT. 4. When an assessment or call has been as
2 above provided, ratified, ascertained, or established,
3 a decree shall be entered which shall be final and con-
4 clusive upon the company and all parties liable to the
5 assessment or call as to the necessity of the same, the
6 authority of the company to make or collect the same,
7 the amount thereof, and all formalities connected
8 therewith. And where an assessment or call hereafter
9 made shall be altered or amended by vote of the
10 directors and decree of the court thereon, such amended
11 or altered assessment or call shall be binding upon all
12 parties who would have been liable under it as orig-
13 inally made, and in all legal proceedings shall be held
14 to be such original assessment or call. All proceed-
15 ings above provided for shall be at the cost of the
16 company, unless the court for cause otherwise order ;
17 and in all cases the court may control the disposition
18 of the funds collected under these proceedings, and
19 may issue all necessary processes to enforce the pay-
20 ment of such assessments against all persons liable
21 therefor.

SECT. 5. Whenever it shall appear to the presiding
2 judge of the court before which such petition is pend-
3 ing, that the net proceeds of any assessment or call
4 will not be sufficient to furnish substantial relief to
5 those having claims against the company, said judge

6 may decree that no assessment shall be collected ; and
7 when, upon the application of the insurance commis-
8 sioner, or any person interested, said judge shall be of
9 opinion that further attempts to collect any assessment
10 then partially collected will not benefit those having
11 claims against the company, he may stay the further
12 collection of said assessment.

SECT. 6. This act shall take effect when approved
2 by the governor,



STATE OF MAINE.

In SENATE, February 10, 1875.

Reported by Mr. CAMPBELL of Washington, from the Committee on Mercantile Affairs and Insurance, and laid over to be printed under the Joint Rule.

SAMUEL W. LANE, *Secretary.*