

# MAINE STATE LEGISLATURE

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# Fifty-Seventh Legislature.

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HOUSE.

No. 169.

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## STATE OF MAINE.

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

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AN ACT to consolidate, revise, and amend the various  
acts which constitute the charter of the Union Mutual  
Life Insurance Company.

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

The various acts which constitute the charter of the  
2 Union Mutual Life Insurance Company are hereby  
3 consolidated and amended, so that the following shall  
4 be the charter of said company :

SECTION 1. Joseph H. Williams, E. Brown Pratt,  
2 and J. Walker Judd, their associates and successors,  
3 and all others who may hereafter become members of  
4 this company, as hereinafter provided, are hereby con-  
5 stituted a body corporate, by the name of the "Union  
6 Mutual Life Insurance Company ;" and by that name

7 may sue and be sued; appear, and prosecute, and  
8 defend suits to final judgment and execution in any  
9 courts and elsewhere; may have a common seal, and  
10 alter the same at pleasure; and may purchase, hold,  
11 and convey in this state, or in any other state or  
12 country, all such property, real and personal, as may  
13 be deemed necessary for the use or accommodation of  
14 the business of the company, or for the investment of  
15 its funds.

SECT. 2. As soon as applications for insurance shall  
2 be made to said corporators, or either of them, to the  
3 amount of one hundred thousand dollars, in sums not  
4 exceeding five thousand dollars upon any one life, they,  
5 or any two of them, may call the first meeting of said  
6 company, by giving notice of the time and place for  
7 holding the same, in one of the newspapers printed in  
8 Augusta, fifteen days at least prior to the said meet-  
9 ing; and it shall be lawful for the said corporators and  
10 their associates then and there to choose by ballot a  
11 board of twelve directors, who shall be members of  
12 said company, and continue in office until others shall  
13 be chosen as hereinafter provided.

SECT. 3. Every person whose life shall be insured  
2 in this company, according to the provisions of this  
3 act, shall be deemed a member thereof during the  
4 period of such insurance, and until the policy shall be

5 paid, cancelled, or surrendered, according to the terms  
6 of this act and the by-laws of the company, and no  
7 longer; and shall be entitled to one vote, and to an  
8 additional vote for each thousand dollars of insurance  
9 above one thousand. And any member may vote by  
10 proxy, if the same be given directly to the person  
11 producing it at any meeting; but no insurance corpora-  
12 tion shall have the right to vote on any policy of re-  
13 insurance issued by this company.

SECT. 4. An annual meeting of the said company  
2 shall be held on the second Wednesday in January, or  
3 within one month after, in each year, at Augusta, or  
4 such other place as the directors may deem more con-  
5 venient to a majority of the members; at which  
6 directors shall be chosen by ballot to fill the places of  
7 those whose terms shall then expire; and public notice  
8 of said meetings shall be given by the secretary in one  
9 or more newspapers printed in Augusta, and in one or  
10 more newspapers printed in such other place as may at  
11 any time be designated, as aforesaid, for holding the  
12 same, fifteen days at least prior to the said meetings;  
13 and, in case of a failure to elect directors at any meet-  
14 ing, the same may be adjourned from time to time  
15 until such election shall be effected or completed.

SECT. 5. The directors shall continue in office during  
2 the term for which, under the by-laws, they are chosen,

3 and until a new election shall be made; and they shall  
4 have power to fill any vacancy in the board, which  
5 may happen by death or otherwise, until the next an-  
6 nual election of directors; five of them shall constitute  
7 a quorum for the transaction of business; they shall  
8 fix and determine the rate of premium on all policies  
9 of insurance that the company shall issue, and the  
10 terms and manner of the payment thereof; and may  
11 adopt such by-laws, and other rules and regulations,  
12 for discharging the various functions, and conducting  
13 and transacting the business and affairs of the com-  
14 pany, as they shall deem necessary and useful; and  
15 exercise all the corporate powers of said company not  
16 inconsistent with the provisions of the charter, or the  
17 other laws of the state.

SECT. 6. The directors shall have power to choose a  
2 president, vice-president, secretary and clerk, and such  
3 other officers and agents as they may deem necessary  
4 for the prosecution of the business of the company,  
5 who may or may not be members of the board of  
6 directors; they shall prescribe the term of office, the  
7 duties and compensation of said officers and agents,  
8 and take such security from them as they may think  
9 proper for the faithful discharge of their respective  
10 duties.

SECT. 7. The directors shall at all times superintend  
2 the affairs, and manage the funds, property, and  
3 estate, of the company; and shall invest the funds of  
4 the company in the name of the company; or they  
5 may invest them in the name of trustees, whenever  
6 they deem it necessary to do so in order to preserve  
7 and protect the interests of the company, and to secure  
8 a perfect title to property held as investments or as  
9 security for investments. But it shall not be lawful  
10 for them to loan any sum of money to any director or  
11 other officer of the company upon any security what-  
12 ever.

SECT. 8. The company may issue contracts of life  
2 insurance, and grant annuities and endowments, and  
3 all such contracts shall be signed by the President or  
4 vice president, and by the secretary thereof; and the  
5 same shall bind the said company, upon delivery and  
6 upon payment of the premium chargeable thereon, to  
7 the satisfaction of the directors, and in accordance  
8 with their rules and regulations. And, upon the  
9 death of any person upon whose life this company  
10 shall have a subsisting policy of insurance, the sum  
11 insured shall become due and payable in ninety days  
12 from the time the same shall be proved and established  
13 according to the terms of such policy, unless the policy  
14 provides for a different time of payment. And the

15 said company may cause itself to be insured against  
16 the hazard of any risk assumed by them.

SECT. 9. The said company may issue policies of  
2 insurance upon the life of any person, expressed to  
3 be for the benefit of any woman, minor, or minors ;  
4 and the same shall inure to the sole use and benefit of  
5 such person or persons so expressed as aforesaid, inde-  
6 pendently of the one whose life may be thus insured,  
7 as well as of his or her creditors, and of the creditors  
8 of such woman, minor, or minors; *provided, however,*  
9 that this section shall not apply to cases where the  
10 annual cash premium paid on the policy shall exceed  
11 the sum of four hundred dollars, unless paid from the  
12 private property of the person or persons for whose  
13 express benefit such insurance shall be effected.

SECT. 10. The fiscal year of the said company shall  
2 close on the thirty-first day of December annually ;  
3 and on the first Wednesday of January following, or  
4 within one month thereafter, the directors shall cause  
5 an estimate to be made, as near as may be practicable,  
6 of the true state of the affairs of the company at the  
7 said close, and of their business for the last fiscal year,  
8 and a balance to be struck of the accounts of the com-  
9 pany ; and thereupon compute the reserve, as required  
10 by law, for insurance of the risks of all outstanding

11 policies, and shall then ascertain the net surplus of  
12 the total assets over the aggregate of the losses, pay-  
13 ments, and expenses of the said year, and the reserve,  
14 computed as aforesaid. They may, whenever they  
15 deem it for the interests of the policy-holders, but not  
16 oftener than once a year, apportion and distribute this  
17 surplus, or any part thereof, to the policies which  
18 were in force at the close of the said last fiscal year,  
19 and then entitled to participate in such apportionment,  
20 in the ratio in which the said policies severally con-  
21 tributed to the forming of such surplus; and record  
22 shall be made and preserved of such apportionments;  
23 and the same shall be binding upon all parties inter-  
24 ested in any policy issued, or risk taken, by the said  
25 company, which by the terms of the policy or by the  
26 contract for the risk, is entitled to participate in the  
27 said surplus. But the directors may make the pay-  
28 ments of such dividends conditional upon the payment  
29 of the premium next becoming due.

SECT. 11. Nothing in this act shall be construed to  
2 prevent the company from issuing policies with or  
3 without a participation in the profits of said company,  
4 or for a limited term of years; nor to prevent the issu-  
5 ing of policies for a larger amount than five thousand  
6 dollars, when the accumulated premiums shall have



7 reached the sum of one hundred thousand dollars ; but  
8 the excess of any policy above twenty thousand dol-  
9 lars shall always be re-insured.

SECT. 12. Nothing herein contained shall be con-  
2 strued to exempt said company from the operation of  
3 the general laws of the state.

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## STATE OF MAINE.

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IN HOUSE OF REPRESENTATIVES, }  
February 13, 1878. }

Reported from the Committee on Mercantile Affairs and Insur-  
ance, by Mr. BUCK of Orland, and ordered printed under the  
Joint Rule.

ORAMANDAL SMITH, *Clerk.*