

MAINE STATE LEGISLATURE

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Sixty-Second Legislature.

SENATE.

No. 23.

STATE OF MAINE.

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

AN ACT to regulate the admission of Foreign Surety
Companies to do business in this State.

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

SECTION 1. Any surety company, incorporated
2 and organized under the laws of any State of the
3 United States, other than the State of Maine, for
4 the purpose of transacting business as surety on
5 obligations of persons or corporations, may trans-
6 act such business in this State upon complying
7 with the provisions of this act, and not other-
8 wise.

SECT. 2. No surety company not incorporated
2 under the authority of this State shall directly or
3 indirectly take risks or transact business in this

4 State until it shall have first appointed, in writing,
5 the Secretary of State to be the true and lawful
6 attorney of such company in and for this State,
7 upon whom all lawful process, in any action or
8 proceeding against the company, may be served
9 with the same effect as if the company existed in
10 this State. Said power of attorney shall stipulate
11 and agree on the part of the company that any
12 lawful process against the company which is
13 served on said attorney shall be of the same legal
14 force and validity as if served on the company,
15 and that the authority shall continue in force so
16 long as any liability remains outstanding against
17 the company in this State. A certificate of such
18 appointment, duly certified and authenticated,
19 shall be filed in the office of the said Secretary of
20 State, and copies certified by him shall be received
21 in evidence in all the courts of this State. Service
22 upon such attorney shall be deemed sufficient ser-
23 vice upon the company.

SECT. 3. Whenever lawful process against a
2 surety company shall be served upon the Secretary
3 of State, he shall forthwith forward a copy of the
4 process served on him, by mail, postpaid, and
5 directed to the secretary of the company. For
6 each copy of process, the Secretary of State shall

7 collect the sum of two dollars, which shall be paid
8 by the plaintiff at the time of such service, the
9 same to be recovered by him as part of the tax-
10 able costs, if he prevails in the suit.

SECT. 4. No person shall act within this State,
2 as agent or otherwise, in procuring or securing
3 applications for suretyship upon the bond of any
4 person or corporation, or aid in transacting the
5 business of such suretyship for any company in-
6 corporated or organized under the laws of any
7 other State, unless such company is possessed of
8 two hundred and fifty thousand dollars capital,
9 and unless such capital, to the extent of one hun-
10 dred thousand dollars, is invested in stocks created
11 by the laws of the United States, or by or under
12 the laws of the State in which such company is
13 located, or in other safe stocks or securities, the
14 value of which, at the time of such deposit, shall
15 be at or above par, which investments are de-
16 posited with the insurance commissioner, auditor,
17 comptroller, or chief financial officer of the State
18 under whose laws such company is incorporated;
19 and the Treasurer of this State is furnished with
20 the certificate of such insurance commissioner,
21 auditor, comptroller, or chief financial officer
22 aforesaid, under his hand and official seal, that he,

23 as such insurance commissioner, auditor, comp-
24 troller, or chief financial officer of such State,
25 holds in trust and on deposit, for the benefit of all
26 obligees of such company, the surety before men-
27 tioned; which certificates shall embrace the items
28 of security so held, and shall state that he is satis-
29 fied that such securities are worth one hundred
30 thousand dollars.

SECT. 5. Every person who shall so far repre-
2 sent any surety company established in any
3 other State, as to receive or transmit applications
4 for suretyship, or to receive for delivery bonds
5 founded on applications forwarded from this State,
6 or otherwise to procure suretyship to be effected
7 by such company upon the bonds of persons or
8 corporations in this State, or upon bonds given
9 to persons or corporations in this State, shall be
10 deemed as acting as agent for said company, and
11 shall be subject to the restrictions and liable to the
12 penalties herein made applicable to agents of such
13 companies.

SECT. 6. Every such agent, before transacting
2 any business as aforesaid, shall deposit with the
3 Secretary of State a copy of the charter of the
4 company or corporation for which he is agent as

5 aforesaid, unless a copy thereof has already been
6 deposited with such Secretary.

SECT. 7. Every such agent shall also, before
2 transacting any business as aforesaid, deposit with
3 the said Secretary of State a statement, signed
4 and sworn to by the president and secretary of
5 the company for which he acts, stating the amount
6 of its capital and the manner of its investments,
7 designating the amount invested in mortgage, in
8 public securities, in the stock of incorporated
9 companies, stating what companies, and also the
10 amount invested in other securities, particulariz-
11 ing each item of investment, the amount of exist-
12 ing bonds upon which such company is surety,
13 stating what portion thereof is secured by the
14 deposit with such company of collateral security,
15 the amount of premium thereon, and the amount
16 of liabilities, specifying therein the amount of
17 outstanding claims adjusted or unadjusted, due or
18 not due; *provided, however*, that not more than
19 one such statement need be filed on behalf of
20 such company.

SECT. 8. Every agent shall, in the month of
2 January, annually, also deposit with the said Sec-
3 retary of State a similar statement of the capital

4 of the company which he represents, and the in-
5 vestments and risks as aforesaid, to be made up to
6 the thirty-first day of December next preceding,
7 signed and sworn to as above directed, and the
8 Secretary of State shall, annually, in the month of
9 February, publish an abstract of the statement filed
10 in his office, as required by section nine of this act
11 and by this section, and the expense of publishing
12 said abstract shall be paid by such companies; *pro-*
13 *vided, however,* that not more than one such state-
14 ment need be filed by such company in any one
15 year.

SECT. 9. No person shall act as agent as afore-
2 said for any such surety company in this State,
3 unless the capital stock of the company which he
4 represents amounts to the sum of two hundred
5 and fifty thousand dollars actually paid in money
6 and invested exclusively of any obligations of the
7 stockholders of any description.

SECT. 10. No person shall act as agent of any
2 such surety company until such company and such
3 agent shall have complied with all the require-
4 ments of the laws of this State relating to such
5 companies and their agents, and every person act-
6 ing without such compliance shall be fined one
7 thousand dollars.

SECT. 11. The Secretary of State shall annually
2 examine the statements and returns required to be
3 made by the companies and agents as aforesaid,
4 and if in his opinion any return shall be obscure,
5 defective or unsatisfactory, he shall immediately
6 require answers under oath from the agent by
7 whom such obscure, defective or unsatisfactory
8 return shall have been made to such interrogato-
9 ries as he may deem necessary or proper to be
10 answered in order to explain such return, and ex-
11 hibit a full and accurate view of the business and
12 resources of the company represented by such
13 agent.

SECT. 12. Every agent who shall refuse or neg-
2 lect to answer such interrogatories for the space
3 of thirty days, and continue to act as agent as
4 aforesaid, shall be liable to the penalty prescribed
5 in section ten of this act.

SECT. 13. The Secretary of State, either per-
2 sonally, or by a committee appointed by him, con-
3 sisting of one or more persons not directors,
4 officers or agents of any surety company doing
5 business in this State, may at any time examine
6 into the affairs of any surety company incorpo-
7 rated by or doing business in this State. The
8 officers or agents of such company shall exhibit

9 its books to said Secretary or committee, and other-
10 wise facilitate such examination, and the Secretary
11 or committee may examine, under oath, the officers
12 and agents of any such company in relation to its
13 affairs; and said Secretary shall, if he deems it for
14 the best so to do, publish the result of such inves-
15 tigation in one or more newspapers published in
16 the State. Whenever it shall appear to the said
17 Secretary, from the statement or from an examina-
18 tion of the affairs of any surety company, not in-
19 corporated under the authority of this State, that
20 such company is insolvent, or is conducting its
21 business fraudulently, or refuses or neglects to
22 comply with the laws of the State relating to
23 surety companies, it shall be the duty of said Sec-
24 retary to revoke the certificate of authority issued
25 to the agent or agents of any such company, and
26 he shall cause a notice thereof to be published in
27 one or more newspapers published in this State,
28 and the agent or agents of such company, after
29 such notice, shall transact no further business in
30 this State. All the expenses of an examination
31 made under the provisions of this section shall be
32 paid to the Secretary by the company examined.

SECT. 14. The Secretary of State shall report
2 to the Attorney General any violation of the pro-

3 visions of this chapter, which shall come to his
4 knowledge, and the Attorney General shall insti-
5 tute the proper legal proceedings in the name of
6 the State, against any person violating any such
7 provision.

SECT. 15. Every surety company not incorpo-
2 rated in this State, applying for admission to
3 transact business therein, shall pay to the Secre-
4 tary of State, for the use of the State for filing
5 copy of its charter or deed of settlement, the sum
6 of thirty dollars; for filing statement preliminary
7 to admission, and for filing each annual statement
8 after admission, the sum of twenty dollars, and for
9 each agent's certificate, annually, the sum of two
10 dollars.

SECT. 16. This act shall take effect when ap-
2 proved.

STATE OF MAINE.

IN SENATE CHAMBER, }
January 30, 1885. }

Presented by Mr. WEEKS, and on his motion laid on the table to
be printed.

C. W. TILDEN, *Secretary.*