

MAINE STATE LEGISLATURE

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Sixty - Second Legislature.

SENATE.

No. 76.

S. 32—AMENDMENTS “B” and “C.”

STATE OF MAINE.

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

AN ACT to provide for the organization of Mutual Relief
Associations.

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

SECTION 1. Any ten or more residents of this State
2 may associate themselves together, in the manner herein-
3 after provided, as a corporation for the insurance of health
4 and life on the assessment plan, with all the powers, rights
5 and privileges, and subject to all the duties, liabilities and
6 restrictions set forth in the general laws relating to cor-
7 porations.

SECT. 2. The parties intending to form such a corpora-
2 tion shall sign articles of association in the book of records
3 of the proposed corporation, stating the name by which
4 it shall be known, the character of the business for the
5 transaction of which it is to be constituted, the principal

6 upon which it is to be conducted, the place where its
7 principal office is to be located, and the amount of its
8 capital stock or guarantee fund, which shall not be less
9 than fifty thousand dollars.

SECT. 3. The first meeting may be called by any signer
2 of the articles of association in the manner prescribed by
3 law for calling the first meeting of corporations; but a
4 meeting at which all the signers of the articles are present,
5 in person or by proxy, is valid, whether notice thereof
6 has been given or not, or in case they are not all present,
7 the written consent of all upon the record makes valid
8 the action embraced in such record. In other cases, a
9 majority of the signers is requisite for a quorum.

SECT. 4. At such meeting, an organization may be
2 effected, by-laws adopted, and the officers elected as
3 provided in the by-laws; but no person shall be a director
4 unless he is a signer of the articles of association. The
5 directors may elect the other officers of the corporation,
6 if the by-laws so provide.

SECT. 5. Thereupon the proceedings described in
2 section forty-six of chapter forty-nine of the Revised
3 Statutes, shall be had, and, upon their completion and
4 the payment of the fee prescribed in section forty-eight
5 of said chapter, the association shall be a duly organized
6 corporation.

SECT. 6. Such corporation shall not commence business
2 until it has deposited with the Treasurer of State fifty
3 thousand dollars in such securities as the savings banks
4 of the State are by law allowed to invest in, to be held by
5 him under the provisions of sections fifty-seven to sixty-
6 three of chapter forty-nine of the Revised Statutes.

SECT. 7. Every such company shall be subject to all
2 the provisions of chapter forty-nine of the Revised
3 Statutes, in relation to examination, license and super-
4 vision by the Insurance Commissioner and making annual
5 returns to him, and any such corporation or person violat-
6 ing any of said provisions shall be liable to the penalties
7 therein provided.

SECT. 8. No person or association shall carry on the
2 business of insuring life upon the assessment plan except
3 under the provisions of this act. And if any person
4 solicits, receives or forwards any application for such
5 insurance, without first receiving such license, becomes
6 liable to the penalty provided in section seventy-three of
7 chapter forty-nine of the Revised Statutes, to be recovered
8 on an action of debt in the name and to the use of the
9 State, to be commenced and prosecuted by the Attorney
10 General on the request of the Insurance Commissioner.

SECT. 9. The provisions of this act shall not apply to
2 organizations which do not employ paid solicitors or can-
3 vassers, or pay, or cause, or allow to be paid commissions
4 or fees for procuring membership therein or obtaining
5 applications for insurance upon the assessment plan. If
6 any person receives a commission or fee, directly or indi-
7 rectly, for procuring an application for membership in any
8 organization described in this section, or for insurance
9 therein on the assessment plan, he forfeits the same pen-
10 alty, to be recovered in the same manner as provided in
11 the preceding section.

SECT. 10. Every association formed under this act shall
2 be liable to pay to the beneficiary the full amount named
3 in the certificate of membership, when the claim matures,

4 if such amount shall be printed or written upon such
5 certificate in such manner as to be liable to mislead the
6 public.

SECT. 11. If any such company shall refuse to pay
2 such amount as provided in the preceding section, the
3 Insurance Commissioner shall make examination into the
4 facts, and may in his discretion proceed to close up the
5 affairs of the company as provided by law.

AMENDMENT "B."

Amend section 8 line 6 of printed bill by striking out the words "such license" in said lines, and inserting in place thereof the words 'the license required by section 73 of chapter 49 of the Revised Statutes, he,' also strike out from lines 7 and 8, the words "seventy-three of chapter forty-nine of the Revised Statutes," and insert between the words *in* and *section* in line 7 the word 'said,' and by adding at the end of section 8, the words 'and such delinquent shall pay to the Attorney General, a reasonable fee for his services to be fixed by the court and taxed as costs.'

AMENDMENT "C."

Amend section 9 by inserting after the word "organizations" in line 2, the words 'doing business upon the assessment plan,' and by inserting after the word "plan" in line 6, the following: 'the payment of officers of any such organizations who perform the official duties usually incumbent on secretaries and treasurers, shall not be held to constitute them paid solicitors or canvassers of such organizations. And nothing contained in this act shall be so construed as to prohibit said organizations from authorizing any member thereof to assist in the formation of new organizations, and compensating him for such assistance.'



STATE OF MAINE.

IN SENATE CHAMBER, }
February 17, 1885. }

Taken from table on motion of Mr. CUTLER. Mr. ALLEN offered amendments "B" and "C," and on motion by Mr. CUTLER the bill with amendments was laid on table to be printed.

C. W. TILDEN, *Secretary*.