

MAINE STATE LEGISLATURE

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Sixty - Third Legislature.

HOUSE.

No. 186.

STATE OF MAINE.

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

AN ACT to amend sections ninety-one and ninety-two of
chapter forty-nine of the Revised Statutes, relating to Life
Insurance.

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

SECTION 1. Section ninety-one of chapter forty-nine of
2 the Revised Statutes is hereby amended so as to read as
3 follows :

'SECT. 91. Every life insurance policy issued after
5 March thirty-one, eighteen hundred and seventy-seven, by
6 any company chartered by this State, which may be for-
7 feited for non-payment of premiums, including all notes
8 given for premiums or loans, or interest thereon, after it
9 has been in force three full years, and which does not pro-
10 vide for a surrender value at least equivalent to the value
11 arising under the terms of this and the following section,

12 is nevertheless continued in force to an extent, and for a
13 period to be determined as follows, to wit : The net value
14 of the policy, when the premium becomes due and is not
15 paid, shall be ascertained according to the combined ex-
16 perience or actuaries' rate of mortality with interest at the
17 rate of four per cent a year ; from such net value, there
18 shall be deducted the present value of the differences be-
19 tween the future premiums named in the policy and the
20 future net premiums on said policy, ascertained according
21 to the rates of mortality and interest aforesaid, in no
22 event, however, to exceed one-fourth of said net value,
23 and in ascertaining said net value when the premium is
24 payable semi-annually or quarterly, there shall be de-
25 ducted from the net value of the policy (assuming net
26 annual premiums) the net premiums for the unpaid semi-
27 annually or quarterly installments for that year which shall
28 not be considered an indebtedness but as forborne premi-
29 ums ; what remains, after deducting any indebtedness to
30 the company on account of the policy, or notes held by
31 the company against the insured, which notes shall be
32 cancelled, shall be considered as a net single premium of
33 temporary insurance, and the term for which it will insure
34 shall be determined according to the age of the party at
35 the time of the lapse of the policy, and the assumption of
36 mortality and interest aforesaid ; but if the policy is an
37 endowment, payable at a time certain, or at death if it
38 should previously occur, then, if what remains as afore-
39 said, exceeds the single net premium of temporary in-
40 surance for the balance of the endowment term for the
41 full amount of the policy, such excess shall be considered
42 a net single premium for simple endowment, payable only

43 at the same time as the original endowment, and in case
44 the insured survives to that time; and the amount thus
45 payable by the company shall be determined according to
46 the age of the party at the time of the lapse of the policy,
47 and the assumption of mortality and interest aforesaid.'

SECT. 2. Section ninety-two of said chapter is hereby
2 amended so as to read as follows :

'SECT. 92. If the death of the insured occurs within
4 the term of temporary insurance covered by the value of
5 the policy as determined in the preceding section, and if
6 no condition of the insurance, other than the payment of
7 premiums has been violated by the insured, the company
8 shall pay the amount of the policy, as if there had been
9 no lapse of the premium, anything in the policy to the
10 contrary notwithstanding; *provided, however,* that notice
11 of the claim and proof of the death shall be submitted to
12 the company, in the manner provided by the terms of the
13 policy, within one year after the death; *and provided,*
14 *also,* that the company may deduct from the amount in-
15 sured in the policy, the amount compounded at seven per
16 cent a year, of the ordinary life premiums at age of issue,
17 that had been forborne at the time of the death, including
18 the whole year's premium in which the death occurs, not
19 exceeding five in number. But any such company may
20 issue to a resident of any other State or country a policy
21 conforming to the laws of such State or country and not
22 subject to this and the preceding sections.'

SECT. 3. This act takes effect when approved.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }
February 25, 1887. }

Reported from Committee on Mercantile Affairs and Insurance by Mr.
HARDING of Gorham; ordered printed under joint rule.

NICHOLAS FESSENDEN, *Clerk.*