

# MAINE STATE LEGISLATURE

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# Sixty-Fourth Legislature.

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SENATE.

No. 71.

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## STATE OF MAINE.

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

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AN ACT to amend section one of chapter one hundred and fifteen of the Revised Statutes, relating to the compensation of the Insurance Commissioner.

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

SECTION 1. So much of section one of chapter 2 one hundred and fifteen of the Revised Statutes as 3 relates to the compensation of insurance commis- 4 sioner, is amended so as to read as follows:

‘Insurance commissioner, fifteen hundred dollars, 6 in full for services. The Governor and Council may 7 allow such reasonable sum for postage, clerk hire, 8 and actual expenses incurred in enforcing the laws 9 relating to insurance as they deem proper.’

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

## STATEMENT OF FACTS.

SUBMITTED BY THE COMMITTEE ON MERCANTILE AFFAIRS.

The Insurance department of the State of Maine was formed upon the theory that the insurance companies doing business in the State of Maine should pay fees sufficient to defray the expenses of the office. In accordance with this theory certain fees were imposed upon insurance companies licensed to do business in the State of Maine, viz: \$20.00 for annual license for each company and \$1.00 for each agent. The annual salary of Insurance Commissioner was practically fixed at \$2,500.00 with certain allowances for expenses.

In 1880 the salary was reduced to \$900.00 and in 1883 it was fixed at \$1,000.00 payable quarterly with the provision that all fees received shall be paid into the State treasury quarterly and a further provision that the governor and council may allow such a reasonable sum for postage and actual expenses incurred in enforcing the laws relating to insurance as they deem proper.

Since this law was enacted the business of the office has been very largely increased. If one thousand dollars was a sufficient salary then, fifteen hundred dollars would not be more than that now, if the business of the office is to be taken into account. Since that time six charters have been granted by act of legislature to assessment life and accident companies and they are doing business under these charters; the Insurance Commissioner is obliged to examine these companies annually and maintain a close supervision over them. Other charters are likely to be granted by the present legislature. Three fire insurance companies have also been organized and one stock Marine Insurance Company, a law was enacted in 1885 providing for admission of surety companies; and also, in 1887 for the licensing of special brokers to place surplus risks in unauthorized fire companies in certain contingencies and assess a tax thereon, making

additional clerical work. By this legislature the enactments proposed, and likely to pass, will very greatly increase the work of the office and also the revenue from fees, making it with the necessary correspondence full double that of five years ago.

To show the steady growth of insurance business in the State we give a few figures of fees and taxes as follows :

Year	Fees	Taxes
1883	\$3,710.	\$16,044.31
1884	3,924.	12,653.30
1885	4,040.	19,868.79
1886	4,656.	17,274.26
1887	4,556.	22,883.54

Thus the fees of the year 1887 exceeds in amount those of 1883 by \$846.00 and the taxes for 1883 exceeded those of 1884 by \$6,739.23 ; the excess of both reaching the respectable sum of \$7,575.23 received from the companies on the business of 1887 more than was received on the business of 1883.

In 1883, the fire risks written by foreign companies in the State amounted to \$75,246,359.00 in 1887 \$95,276,407.00.

The premiums on fire risks written in 1883, amounted to 951,428, and in 1887 to \$1,138,331.00. The life and accident business shows risks written in 1883, amounting to \$9,762,223.00 and in 1887, to \$13,071,790.00. In addition to this Maine Assessment Life and Casualty companies, during the year 1887, wrote risks amounting to \$13,689,200.00. Thus as will be seen that the volume of insurance business is steadily increasing year by year, and not only is the volume increasing, but the variety is becoming greater. We have fire, marine, life, accident, health, steam-boiler and fidelity insurance, and these all have numerous forms and schemes of operation. A supervising officer must necessarily study the subject in order to keep posted in the business and he can not do this if he is obliged to do the clerical work of the office and obliged to earn the greater part of his livelihood in some other calling. Insurance supervision is not only

technical, but is semi-judicial in character. The State official must not only familiarize himself with the laws of his own State, but with the insurance laws of other States and the judicial decisions bearing on these laws; he has to deal with bright, aggressive, progressive men and must study this complicated business in detail in order to do justice to the office.

It is not creditable to the State of Maine to cramp the administration of this important office—one of the most important in the State—by reducing it to a mere clerk-ship. The department should be placed on a footing compatible with the dignity to the State or be abolished.

Governor Burleigh, realizing the situation, in his inaugural address urged the importance of the most thorough supervision of insurance business and made important recommendations.

The companies pay the bills and much more in fees—the fees the past year amounting to \$4,556.00 and the expenditures, including salary and the expense of enforcing the law, amounted to but \$1,276.73.

The representatives of the insurance companies that pay these fees, are, to a man, so far as we can learn, in favor of making the insurance department of Maine creditable and efficient.

Your committee recommend the passage of the accompanying bill, increasing the commissioner's salary to fifteen hundred dollars and authorizing the Governor and Council to allow him such a reasonable sum as they deem proper.



**STATE OF MAINE.**

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**IN SENATE, February 6, 1889.**

**Reported by Mr. HARDING from Committee on Mercantile Affairs  
and Insurance, and laid on table to be printed under joint rules, with  
statement of facts.**

**C. W. TILDEN, *Secretary.***