

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DOCUMENTS

PRINTED BY ORDER OF

THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING THE SESSION

A. D. 1891.



AUGUSTA:

BURLEIGH & FLYNT, PRINTERS TO THE STATE.
1892.

Sixty-Fifth Legislature.

SENATE.

No. 205.

STATE OF MAINE.

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

AN ACT to amend sections two and six, of chapter two hundred and thirty-seven of the Private and Special Laws of eighteen hundred eighty-nine, relating to Life and Casualty Insurance on the assessment plan.

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

SECTION 1. Section one of chapter two hundred and two thirty-seven of the private and special laws of eighteen hundred and eighty-nine, is hereby amended by inserting in the second line thereof after the word "of" the word 'health', so that said section as amended will read as follows:

'Section 2. Seven or more persons, citizens of this state, may form a corporation to carry on the business of life, health or casualty insurance, or both, on the assessment

10 plan. Such corporations shall be organized, and the pro-
11 ceedings thereunder shall conform to section one, two and
12 three of chapter fifty-five of the Revised Statutes ; but no
13 such corporation shall begin to do business until at least
14 three hundred persons have subscribed, in writing, to be
15 insured therein, and have each paid in one full mortuary
16 assessment, to be held in trust for the benefit of benefi-
17 ciaries nor until said corporation has filed with the insur-
18 ance commissioner a certified copy of the record of its
19 organization and by-laws, which has been approved by him ;
20 nor until the insurance has certified that it has complied
21 with the provisions of this act, and is authorized to trans-
22 act business. No organization under the provisions of
23 this act shall continue valid more than one year unless
24 the organization has been completed and business begun
25 thereunder.'

SECT. 2. Section six of said act is hereby amended by
2 inserting in the thirteenth line thereof, after the word
3 "of" the words 'health and', so that said section as amended
4 will read as follows :

'Section 6. Any corporation organized under this act
6 shall keep on deposit with the treasurer of the state of
7 Maine, a reserve fund for the benefit and protection of
8 certificate holders in said corporation ; for the creation of
9 which it shall on or before the thirty-first day of Decem-
10 ber of each year, deposit with said treasurer in the case
11 of life companies not less than fifteen per cent and in
12 case of casualty companies, not less than ten per cent. of
13 total receipts on assessments made to pay death benefits
14 or indemnity claims, during the year then ended until the
15 reserve fund so accumulated shall amount, together with

16 the amount there deposited prior to the passage of this
17 act; in the case of life companies to not less than fifty
18 thousand dollars; and in the case of health and casualty
19 companies to not less than twenty-five thousand dollars.
20 These amounts may be deposited in such interest bearing
21 securities as the governor and council may approve, or in
22 such securities as any insurance company or savings
23 banks may, from time to time, be by law authorized to in-
24 vest their funds in. These securities shall be held in
25 trust by the treasurer of state, but the corporation
26 shall have at all times the right to exchange any part of
27 said securities for others of like amount and character.
28 When deemed advisable by a majority of the directors,
29 such a part of the fund as may be considered necessary,
30 may be applied from time to time, to the payment of death
31 losses, in order to reduce the number of assessments upon
32 the members of the association, and the expenses neces-
33 sarily incident thereto, or in the same manner to the pay-
34 ment of accident claims, and for no other purpose. Pro-
35 vided, however, that said fund shall not at any
36 time be reduced below an amount equal to one
37 assessment upon all of its members. The insurance
38 commissioner shall annually in February certify to
39 the treasurer of state, the minimum amount of
40 reserve fund required to be kept on deposit in the state
41 treasury by each corporation doing business, under this
42 act. If said corporation shall neglect for sixty days to
43 satisfy any judgments against it, in any court in this state,
44 then the said treasurer shall convert into money any of
45 said securities, and forthwith satisfy such judgment, and
46 said corporation shall not transact any further business

47 until said deposit is restored. When any such corpora-
48 tion shall discontinue business, any justice of the supreme
49 judicial court may appoint a receiver or agent to administer
50 any unexhausted portion of such fund, which shall be used,
51 less compensation not to exceed five per cent as such court
52 or justice may allow the receiver or agent, first, in pay-
53 ment of accrued mortuary or indemnity claims upon cer-
54 tificates or policies, or if insufficient to pay such claims in
55 full, they shall be paid, pro rata; second, if a balance
56 remains after the payment of such claims, such balance to
57 be distributed to the holders of certificates then in force,
58 pro rata, in accordance with the maximum amount named
59 therein after first paying all expenses incident to such dis-
60 tribution.'

SECT. 3. This act shall take effect when approved.

STATE OF MAINE.

IN SENATE, March 16, 1891.

On motion by Mr. MOORE of Cumberland, laid on table to be printed pending reference to the Committee on Mercantile Affairs and Insurance.

KENDALL M. DUNBAR, *Secretary*.