

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)

Sixty-Sixth Legislature.

HOUSE.

No. 19.

STATE OF MAINE.

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

AN ACT to amend Chapter 237 of the Public Laws of 1889
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 six of chapter 237 of the Public
2 Laws of 1889 is amended so that said section shall read as
3 follows:

‘Section 6. Any corporation organized under this act or
5 any Maine corporation doing assessment insurance busi-
6 ness under this act or its charter, shall keep on deposit
7 with the treasurer of the State of Maine a reserved fund
8 for the benefit and protection of certificate holders in said
9 corporation; for the creation of which it shall on or before
10 the thirty-first day of December of each year, deposit

11 with said treasurer in the case of life companies not less
12 than fifteen per cent, and in case of casualty companies,
13 not less than ten per cent of total receipts on assessments
14 made to pay death benefits or indemnity claims, during
15 the year then ended until the reserve fund so accumulated
16 shall amount, together with the amount there deposited
17 prior to the passage of this act, in the case of life com-
18 panies to not less than fifty thousand dollars; and in the
19 case of casualty companies to not less than twenty-five
20 thousand dollars. These amounts may be deposited in
21 such interest-bearing securities as the governor and
22 council may approve, or in such securities as any insur-
23 ance company or savings banks may, from time to time,
24 be by law authorized to invest their funds in. These
25 securities shall be held in trust by the treasurer of state,
26 but the corporation shall have at all times the right to
27 exchange any part of said securities for others of like
28 amount and character. When deemed advisable
29 by a majority of the directors, such a part of the
30 fund as may be considered necessary, may be applied from
31 time to time, to the payment of death losses, in order to
32 reduce the number of assessments upon the members of
33 the association, and the expenses necessarily incident
34 thereto, or in the same manner to the payment of accident
35 claims, and for no other purpose. *Provided, however,*
36 that said fund shall not at any time be reduced below an
37 amount equal to one assessment upon all of its members.
38 The insurance commissioner shall annually, in February,
39 certify to 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
44 State, then the said treasurer shall convert into money
45 any of said securities, and forthwith satisfy such judg-
46 ment, and said corporation shall not transact any further
47 business until said deposit is restored. When any such
48 corporation shall discontinue business, any justice of the
49 supreme judicial court may appoint a receiver or agent
50 to administer any unexhausted portion of such fund which
51 shall be used, less compensation not to exceed five per
52 cent, as such court or justice may allow the receiver or
53 agent, first, in the payment of accrued mortuary or
54 indemnity claims upon certificates or policies, or if insuffi-
55 cient to pay such claims in full, they shall be paid, pro
56 rata; second, if a balance remains after the payment of
57 such claims, such balance to be distributed to the holders
58 of certificates then in force, pro rata, in accordance with
59 the maximum amount named therein after first paying all
60 expenses incident to such distribution. If, upon the
61 thirty-first day of December of any year, the reserve fund
62 of any such corporation is found to be less than the
63 amount of one assessment upon all the members thereof,
64 said corporation shall, within one year thereafter, collect
65 from its members a sum sufficient to bring said reserve
66 fund up to one assessment upon all its members, and
67 deposit the amount with the treasurer of State to the
68 credit of said fund.'

SECT. 2. Section eight of said chapter shall be amended
2 so as to read as follows :

'Section 8. No corporation doing business as a life
4 insurance company under this act shall issue a certificate
5 or policy upon the life of any person more than sixty

6 years of age, and every call for payments by the policy
7 or certificate holders shall distinctly state the purpose of
8 the same, whether for mortuary or indemnity claims or
9 for expenses, and the proceeds of mortuary or indemnity
10 calls, less a commission actually paid for collecting the
11 same not exceeding three per cent thereof, shall be used
12 for payment of claims under policy contracts, for investi-
13 gating and contesting policy claims believed to be fraudu-
14 lent, and for deposit with the treasurer of state on reserve
15 fund, and for no other purpose.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES, }
February 1, 1893.

Reported by Mr. FAIRBANKS of Bangor, from Committee on Mer-
cantile Affairs and Insurance and ordered printed under joint rules.

W. S. COTTON, Clerk.