

# MAINE STATE LEGISLATURE

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NEW DRAFT.

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# Sixty-Seventh Legislature.

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HOUSE.

No. 123.

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## STATE OF MAINE.

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

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AN ACT to incorporate the Anglo-American Guarantee  
Company.

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

SECTION 1. Samuel G. Ginner, Henry A. Houghton,  
2 Samuel Edwin Tobey, Thomas M. Sweetland, Jacob W.  
3 Berton, Melvin Gardner, G. Anson Brown, Conrad A.  
4 Clarke, Albert A. Sammis, Lorenzo Travor, J. Fred  
5 Parker, James H. Briggs, their associates, successors and  
6 assigns are hereby constituted a body politic and corporate  
7 by the name of the Anglo-American Guarantee Company,  
8 for the purposes hereinafter set forth; to have its location  
9 in the city of Portland; and the said corporation may sue and  
10 be sued, defend and be defended, have all by-laws and

11 regulations which may be necessary to carry out the pur-  
12 poses of this act, and shall be vested with all the powers  
13 and privileges, and be subject to all the liabilities by law  
14 incident to corporations of a similar nature.

SECT. 2. The said company is hereby authorized and  
2 empowered to act as surety upon the official bond or  
3 liability of any person or corporation to the United States ;  
4 to any county, city or town ; to any judge of probate, or  
5 other court or magistrate ; to any corporation or associa-  
6 tion, public or private ; and upon a bond or liability to  
7 any person or persons conditioned upon the performance  
8 of any trust ; also upon bonds to indemnify against loss  
9 any person or persons who are responsible as surety or  
10 sureties, upon a written instrument or otherwise, for the  
11 faithful performance by others, of any trust, office or  
12 duty ; and in any case where, by law or otherwise, two  
13 sureties are required upon any obligation which this com-  
14 pany is hereby authorized to assure, this company may act  
15 as sole surety, if so accepted and approved by the court  
16 or magistrate named as the obligee in the bond ; also to  
17 guarantee the payment of stock and certificates of accumu-  
18 lative indebtedness of corporations, excepting those doing  
19 a purely mutual association business under the laws of this  
20 state, under the assessment plan, each corporation, whose  
21 accumulative indebtedness is so guaranteed, to become  
22 mutual guarantors ; and for the transaction and adjust-  
23 ment of such other business incident thereto and connected  
24 therewith, in such way and manner as may be provided  
25 for in the by-laws of said corporation ; and said corpora-  
26 tion may charge and receive such lawful commissions as  
27 is customary in the business, and in cases where there is

28 no established custom or law such commission or fee as  
29 may be agreed upon.

SECT. 3. Said corporation may purchase, take and hold  
2 by deed, gift, bequest, devise or otherwise, real and per-  
3 sonal estate in this state or elsewhere for the purposes of  
4 said corporation; and it shall be the duty of the board of  
5 directors to invest the capital of said corporation, and to  
6 keep the same invested in good securities, and it shall be  
7 lawful to make such investments of its capital, and of the  
8 funds accumulated by its business, or any part thereof, in  
9 bonds and mortgages upon unincumbered real estate,  
10 worth at least one-third more than the amount loaned  
11 thereon, and upon stocks or bonds or personal property,  
12 worth at the time of loaning at least one-fourth more than  
13 the amount loaned thereon.

Investments may be made in the name of trustees,  
15 whenever the directors deem it necessary to do so, in  
16 order to preserve and protect the interests of the corpora-  
17 tion, and to secure a perfect title to property held as  
18 investments or as security for investments.

SECT. 4. At time of organization the stockholders  
2 shall elect by ballot a board of nine directors, three for  
3 the term of one year, three for the term of two years,  
4 and three for the term of three years, and thereafter  
5 three directors shall be elected annually, which board  
6 shall have entire charge of the affairs of the corporation,  
7 and shall continue in office until their successors are  
8 elected. In case of a failure to elect directors at any  
9 meeting called for that purpose the same may be  
10 adjourned from time to time until such election shall be  
11 effected or completed. Qualification for director of the  
12 corporation shall be a subscription for not less than

13 twenty shares of common stock at time of organization,  
14 and thereafter shall be the holder of twenty shares of  
15 common stock.

Said directors shall have power to fill any vacancy in  
17 the board which may happen by death or otherwise, until  
18 the next annual election of directors; and may adopt such  
19 rules, not inconsistent with this act and the by-laws of  
20 the corporation, for discharging the various functions and  
21 conducting and transacting the business and affairs of the  
22 corporation, as they shall deem necessary.

The directors shall elect one of their number president  
24 of the board, who shall also be president of the corpora-  
25 tion; also a vice president, clerk and assistant clerk,  
26 treasurer, manager and such other officers and agents as  
27 they may deem necessary for the prosecution of the busi-  
28 ness of the corporation, who may or may not be members  
29 of the board of directors; they shall prescribe the term  
30 of office, the duties and compensation of all officers and  
31 agents, and take such security from them as they may  
32 think proper for the faithful discharge of their respective  
33 duties; and the said directors shall at all times superin-  
34 tend the affairs and manage the funds, property and estate  
35 of said corporation, and five of them shall constitute a  
36 quorum.

SECT. 5. The capital stock of this corporation shall be  
2 five hundred thousand dollars to be divided into preferred  
3 stock and common stock in shares of one hundred dollars  
4 each, the amount and provisions as to preferred stock to be  
5 determined at organization, or at a meeting of the stock-  
6 holders called for that purpose; and the persons within  
7 named as corporators shall be commissioners, whose duty  
8 it shall be, within a reasonable time after the passage of

9 this act, to open books for the purpose of receiving sub-  
10 scriptions for stock under such terms as said commissioners  
11 may agree upon, and to keep the same open until the whole  
12 of said stock is taken up ; and the said corporation shall not  
13 commence business until the sum of two hundred and fifty  
14 thousand dollars shall have been subscribed and paid in, and  
15 no certificate of shares shall be issued until the par value  
16 of same is fully paid. The capital stock may be increased  
17 at any time, or from time to time, to not exceeding two  
18 million dollars, besides reserved fund or surplus, and the  
19 number of directors may be increased in manner provided  
20 in section 20, chapter 48, Revised Statutes. Said directors  
21 to be elected for different terms of time as is provided in  
22 section 4 of this act. Notice of any increase in the capital  
23 and number of directors to be duly given the secretary of  
24 state within ten days after said increase ; and the board  
25 of directors for the time being may in their discretion  
26 open books of subscription under such management as  
27 they may fix upon for such original stock, and for such  
28 additional stock, as may be voted by said corporation, or  
29 cause the same to be taken and distributed in such way  
30 and manner as may be determined in the by-laws of the  
31 corporation.

SECT. 6. This corporation shall at all times keep on  
2 deposit with the Treasurer of State a sum of money, in  
3 United States bonds or such securities in which savings  
4 banks are allowed to invest, subject, however, to the  
5 approval of the insurance commissioner or bank examiner,  
6 equal to one hundred thousand dollars, to be held by  
7 said treasurer of State on deposit and in trust for the  
8 benefit of all bond and certificate holders in said company,  
9 under provisions of sections 57 to 63, chapter 49 of the

10 Revised Statutes ; and if said corporation shall neglect for  
11 thirty days to satisfy any judgment recovered against it in  
12 any court of this State, upon any certificate or guaranty  
13 issued by it, the said treasurer shall apply the money and  
14 investments so in his hands to the satisfaction of said  
15 judgment, and said corporation shall not transact any  
16 further business until said deposit is restored to its  
17 original amount. This corporation shall be subject to the  
18 provisions of section 69, chapter 49 of the Revised  
19 Statutes, so far as applicable to this company.

SECT. 7. After deducting from the earnings of the  
2 company (no part of the premiums received on risks not  
3 terminated being considered earnings), and from the  
4 income of its invested funds, such an amount as shall be  
5 required for the cost of management, and for such divi-  
6 dends not exceeding six per centum per annum on the  
7 capital stock as the directors may determine upon, the  
8 residue less the losses incurred during the year, if any,  
9 shall be annually set apart for the purpose of constituting  
10 a reserved fund or surplus for the payment of losses, until  
11 the said reserved fund or surplus shall equal fifteen per  
12 cent of the amount of the capital stock paid in ; and in  
13 case the reserved fund or surplus shall ever be impaired,  
14 it shall be made up to the full amount in the manner origi-  
15 nally provided ; and the said capital stock shall in no case  
16 be impaired or diminished until said reserved fund or sur-  
17 plus shall have been exhausted ; provided that whenever  
18 the said reserved fund or surplus shall equal fifteen per cent  
19 of the amount of the capital stock paid in, the earnings  
20 of the company, over and above the aforesaid dividends  
21 of six per centum per annum and the contributions  
22 required to keep the said reserved fund or surplus entire,

23 may thereafter be divided among the stockholders; and  
24 provided, also, that in closing up the affairs of the said  
25 company the amount then standing to the credit of the  
26 said reserved fund or surplus shall be divided among the  
27 stockholders, in proportion to their respective shares.

SECT. 8. Said corporation shall be subject to examina-  
2 tion by the insurance commissioner, who shall make such  
3 an examination as he regards necessary for the safety of the  
4 public and the holders of its guarantee bonds and certifi-  
5 cates. He may require the officers to produce for exami-  
6 nation all books and papers of the company, and to answer  
7 on oath all questions propounded to them in relation to its  
8 condition or affairs.

SECT. 9. The commissioner at his annual examination,  
2 if he finds that the company has complied with the pro-  
3 visions of section 6 of this act, shall issue to it his certifi-  
4 cate of that fact. For making each examination he shall  
5 receive from it twenty dollars, and all travelling expenses.

SECT. 10. If this company fails to comply with any of  
2 the provisions of this act, or if on examination, the com-  
3 missioner thinks that it is in such a condition as to render  
4 its further proceedings hazardous to the public or its cer-  
5 tificate holders he shall cause proceedings to be instituted  
6 against the company as are provided in section sixty-seven  
7 of chapter forty-nine of the Revised Statutes so far as the  
8 same are applicable, and the funds in the hands of the  
9 Treasurer of State shall be disposed of in accordance with  
10 the provisions of this act, and the provisions of sections  
11 fifty-seven to sixty-three of chapter forty-nine of the  
12 Revised Statutes.

SECT. 11. Said corporation shall pay taxes at the same  
2 rate, and in the same way and manner as is provided for



3 life insurance companies, and shall be subject to the pro-  
4 visions of section fifty, chapter forty-nine of the Revised  
5 Statutes.

SECT. 12. Any one of the persons named in this act  
2 may call the first meeting of this corporation by personal  
3 notice, either written or printed, delivered or mailed, to  
4 each corporator at least seven days before the time of  
5 meeting.

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STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }  
February 51, 1895.

Reported by Mr. KNOWLTON of Portland, from Committee on Judicial, and ordered printed under joint rules.

W. S. COTTON, *Clerk.*