

MAINE STATE LEGISLATURE

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Sixty-Seventh Legislature.

HOUSE.

No. 274.

STATE OF MAINE.

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

AN ACT to incorporate the Garfield Life Insurance
Company.

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

SECTION 1. Horace C. Little, George A. Wiseman,
2 Regis Provost, Alphonse Auger, Arthur T. Reny, Henry
3 P. Bechard, S. Dumont and William H. Newell, all of
4 Lewiston, county of Androscoggin and state of Maine,
5 their associates and successors, are hereby constituted a
6 body corporate by the name of the Garfield Life Insur-
7 ance Company, and by that name may sue and be sued,
8 appear and prosecute and defend suits to final judgment
9 and execution, may have a common seal and alter the
10 same at pleasure, and may purchase, hold and convey in
11 this state or any other state or country, all such property,

12 real and personal, as may be deemed necessary for the
13 use or accommodation of the business of the company, or
14 for the investment of its funds.

SECT. 2. The capital stock of said company shall be
2 two hundred thousand dollars, to be divided into two
3 thousand shares of the par value of one hundred dollars
4 each. When one hundred thousand dollars of said capital
5 stock shall have been subscribed for, the corporators may
6 organize under this charter, subject to the limitations
7 hereinbefore set forth. Any one of said corporators may
8 call the first meeting of said company by giving notice of
9 the time and place for holding the same in one newspaper
10 printed in Lewiston, Maine, fourteen days, at least, before
11 the date of said meeting; and it shall be lawful for the
12 said corporators and their associates to choose by ballot a
13 board of seven directors, who shall be stockholders of said
14 company, and continue in office until others shall be
15 chosen, as hereinafter provided. Said company shall not
16 begin business nor issue any policy of insurance until at
17 least one hundred thousand dollars of its capital stock
18 shall have been paid for, and that sum deposited with
19 treasurer of the state in cash or securities, subject to the
20 approval of the governor and council and said treasurer,
21 which shall be held by the state for the protection of the
22 policy holders; and the fact of such deposit shall have
23 been certified by the treasurer to the insurance commis-
24 sioner of the state, and a certificate issued by him to
25 said company, that it has complied with the terms of its
26 charter and is entitled to begin business thereunder.

SECT. 3. Every person whose life shall be insured in
2 this company, according to the provisions of this act, shall
3 be deemed a member thereof during the period of said in-

4 surance, and until the policy shall be paid, cancelled or
5 surrendered, according to the terms of this act and the by-
6 laws of the company, and no longer, and shall be entitled
7 to one vote, subject to the limitations hereinafter contained,
8 and any member may vote by proxy filed with the clerk
9 prior to the time of holding said meeting.

SECT. 4. The annual meeting of said company shall be
2 held on the first Monday in February, or within six
3 months thereafter, in each year after its organization, at
4 Lewiston, or such other place in the state of Maine as
5 the directors may deem most convenient for the members
6 and stockholders, at which a board of directors shall be
7 chosen by ballot to fill the places of those whose terms
8 shall expire, as follows: Five of said directors shall be
9 chosen from among the stockholders by written ballot of
10 the stockholders, and two of said directors shall be chosen
11 from among the policy holders by written ballot of the
12 policy holders, who, together, shall constitute a board of
13 directors for the year ensuing their election, and until
14 their successors are elected and qualify; and public notice
15 of said meeting shall be given by the secretary in one or
16 more newspapers printed in Lewiston fourteen days, at
17 least, prior to the date of said meeting, and in case of
18 failure to elect a board of directors at said meeting, the
19 same may be adjourned from time to time until such elec-
20 tion of said board of directors shall be effected and com-
21 pleted.

SECT. 5. The directors of said corporation shall be
2 chosen and hold office as hereinbefore set forth. They
3 shall have power to fill any vacancy in the board, which
4 may happen from death or otherwise, until the next
5 annual election of directors. Four of them shall consti-

6 tute a quorum for the transaction of business. They shall
7 fix and determine the rate of premium on all policies of
8 insurance that the company shall issue, and the terms and
9 manner of the payment thereof, and may adopt such by-
10 laws and other rules and regulations for conducting and
11 transacting the business of the company as they shall
12 deem necessary and proper, subject, however, to the laws
13 of the state of Maine, and shall exercise all the powers of
14 said company not inconsistent with the terms of this char-
15 ter and the laws of the state of Maine.

SECT. 6. The directors shall have power to choose a
2 president, vice president, secretary and clerk, and such
3 other officers as they may deem necessary for the prosecu-
4 tion of the business of the company, who may, or may not
5 be members of the board of directors, but who shall be
6 stockholders or members of the corporation; they shall
7 prescribe the terms of office, the duties, compensation of
8 said officers and agents, and take such security from them
9 as they may think proper, for the faithful discharge of
10 their respective duties.

SECT. 7. The directors shall at all times superintend
2 the affairs, and manage the funds, property and estate of
3 the company, and shall invest the funds of the company in
4 the name of the company; or they may invest them in the
5 name of the trustees, whenever they deem it necessary to
6 do so in order to preserve and protect the interests of the
7 company, and to secure a perfect title to property held as
8 investments or as security for investments. But it shall
9 not be lawful for them to loan any sum of money to any
10 director or other officer of the company upon any security
11 whatever.

SECT. 8. The company may issue contracts of life insurance on the ordinary life and industrial plans, and grant annuities and endowments; and all such contracts shall be signed by the president or vice-president and by the secretary thereof, and the same shall bind the said company, upon delivery and upon payment of the premium chargeable thereon, to the satisfaction of the directors, and in accordance with their rules and regulations.

SECT. 9. The said company may issue policies of insurance upon the life of any person expressed to be for the benefit of any woman, minor or minors; and the same shall inure to the sole use and benefit of such person or persons so expressed, as aforesaid, independently of the one whose life may be thus insured, as well as of his or her creditors, and of the creditors of such woman, minor or minors, but subject as to premiums to the law of the State of Maine.

SECT. 10. The fiscal year of said company shall close on the thirty-first day of December annually; and on the first Monday of January following, or within one month thereafter, the directors shall cause a valuation of all outstanding policies to be made, as near as may be practicable, of the true state of the affairs of the company, at the close of the said year, and of their business for the last fiscal year, and a balance to be struck of the accounts of the company; and thereupon compute the reserve, as required by law, for insurance of the risks of all outstanding policies, and then shall ascertain the net surplus of the total assets over the aggregate of the losses, payments and expenses of the said year, and the reserve, computed as aforesaid. They may, whenever they deem it for the best interests of the corporation, declare and pay dividends to the stockholders from the surplus earnings of the

17 company, not, however, to exceed seven per cent per
18 annum on the paid-up capital stock, and they may, once
19 each year, but not oftener, divide such portion of the
20 surplus after the dividend on the capital stock shall be
21 paid, to the policies which were in force at the termination
22 of the last fiscal year, in the ratio as the amount of each
23 premium has contributed to the formation of said surplus,
24 but not, however, in any case, to impair the reserve
25 required by law.

SECT. 11. Nothing in this act shall be construed to
2 prevent the company from issuing policies with or without
3 a participation in the profits of said company, or for a lim-
4 ited term of years; not to prevent the issuing of policies
5 for a larger amount than ten thousand dollars, but the
6 excess of any policy above ten thousand dollars shall
7 always be re-insured.

SECT. 12. That every member of said company shall
2 at all times have the liberty to inspect the books and
3 records of said company, and in case of any suit against or
4 in favor of said company, any court of record shall have
5 power to compel by any proper order the production of the
6 books and records of said company.

SECT. 13. This act shall become null and void if the
2 organization is not completed and business commenced as
3 herein provided, in two years from date of approval.

SECT. 14. Nothing herein contained shall be construed
2 to exempt said company from the operation of the general
3 laws of the state.

SECT. 15. This act shall take effect when approved.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }
March 1, 1895. }

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

W. S. COTTON, *Clerk.*