

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)

SEVENTY-SECOND LEGISLATURE

HOUSE.

No. 403

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND FIVE.

AN ACT additional to chapter 49 of the Revised Statutes, re-
lating to insurance.

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

Section 1. Any association organized or incorporated un-
2 der the laws of another state or country as a fraternal
3 beneficiary association and which does not conduct its busi-
4 ness upon the lodge system with a ritualistic form of work
5 and a representative form of government, in accordance with
6 the provisions of section 134 of chapter 49 of the Revised
7 Statutes, and which is not subject to the statutes of this
8 State regulating fraternal beneficiary associations, but
9 which confines its membership to the members of some par-
10 ticular order, class or fraternity, and which has the mem-
11 bership and qualifications herein required, may be licensed
12 by the insurance commissioner to transact the business of

13 casualty insurance on the assessment plan and to provide for
14 the payment of death or funeral benefits of not exceeding one
15 hundred dollars to the beneficiaries of deceased members,
16 subject to and in accordance with the provisions of this act.

Sect. 2. No such association shall transact any business in
2 this State without a license from the insurance commissioner.
3 Before receiving such license it shall file with the commis-
4 sioner a duly certified copy of its charter or articles of as-
5 sociation; a copy of its constitution and by-laws certified by
6 its secretary; a power of attorney to the commissioner as
7 provided by section 143 of chapter 49; a statement under
8 oath of its president and secretary, in the form required by
9 the commissioner, duly verified by an examination made in
10 accordance with the provisions of section 153 of chapter 49
11 of its business for the preceding years, which statement and
12 examination must show that the association had at least five
13 thousand members in good standing at the date of such re-
14 port, and that it had on that date available assets in excess of
15 all known liabilities of not less than twenty thousand dollars;
16 a copy of its policy and application which must show that
17 benefits are provided for by assessments upon or other pay-
18 ments by persons holding similar contracts; a certificate of
19 deposit from the State treasurer of this State as hereinafter
20 provided, and shall furnish the insurance commissioner with
21 such further information as he may deem necessary to a
22 proper exhibit of its business and plan of working. Upon
23 compliance with the foregoing provisions the commissioner
24 may license such association to transact business in this
25 State as herein defined until the first day of the succeeding
26 July, and such license may thereafter be renewed annually,
27 but in all cases to terminate on the first day of the next
28 succeeding July. The provisions of sections 129, 143, 145,
29 147, 148, 149 and 153 of chapter 49 shall apply to such as-
30 sociations.

Sect. 3. No license shall be issued to any such association
2 until it has deposited with the State treasurer of this State
3 securities which are a legal investment for savings banks of
4 this State amounting to not less than the maximum policy is-
5 sued by such association nor to less than one thousand dol-
6 lars. The State treasurer shall receive such securities and
7 hold the same on deposit and in trust for the benefit of all
8 the policy holders of the association in this State, and shall
9 receipt for and hold the same in the manner provided in sec-
10 tion 60 and 61 of said chapter 49, but he shall retain and hold
11 the same as long as any liability remains outstanding in this
12 State. Whenever any judgment obtained in a court of com-
13 petent jurisdiction in this State, by a policy holder or any
14 beneficiary thereof, remains unsatisfied for more than sixty
15 days after legal demand upon the association, and no appeal
16 from the decision of said court is pending, said court may
17 issue an order directing said State treasurer to immediately
18 convert so much of said deposit as may be necessary into
19 cash and to forthwith satisfy said judgment and such ad-
20 ditional costs appertaining thereto as said court may allow,
21 and said treasurer shall immediately comply with said order,
22 and the association shall not transact any further business in
23 this State until such deposit is restored. When any such
24 association discontinues business in this State, and the insur-
25 ance commissioner is satisfied upon investigation that the as-
26 sociation has no liabilities outstanding therein, he shall so
27 certify to the State treasurer, who shall thereupon return said
28 deposit to the association.

Sect. 4. Every call for a payment by the policy holders of
2 any such association shall distinctly state the purpose of the
3 same, and no part of the money collected for the payment of
4 indemnity claims or death or funeral benefits and no part of
5 the reserve or emergency fund shall be used for expenses.

Sect. 5. Except as otherwise herein provided, the fees for
2 license to the association or its agents or any renewal thereof
3 or for any act or service of the insurance commissioner or the
4 State treasurer shall be the same as is provided by section
5 seventeen of chapter 117 of the Revised Statutes for life in-
6 surance companies.

Sect. 6. This act shall take effect when approved.

STATE OF MAINE

HOUSE OF REPRESENTATIVES,

Augusta, March 7, 1905.

Reported by Mr. BRIGGS from Committee on Mercantile Affairs
and Insurance and ordered printed under joint rules.

E. M. THOMPSON, *Clerk.*