

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-FOURTH LEGISLATURE

HOUSE.

No. 600

STATE OF MAINE.

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

AN ACT additional to Chapter 49 of the Revised Statutes,
relating to securities deposited with the treasurer of State
by insurance companies.

Be it enacted by the People of the State of Maine, as follows:

Section 1. Any stock insurance company now or hereafter
2 incorporated in the State, for the purpose of writing acci-
3 dent or health insurance, shall make and maintain a deposit,
4 with the Treasurer of State, of securities to the market
5 value of at least one hundred thousand dollars (\$100,000),
6 to be held in trust for the benefit of all the policy holders
7 in said company, before it shall have the right to transact
8 any business. The Treasurer of State shall receive such

9 stocks or other securities and hold the same on deposit and
10 in trust for the benefit of all the policy holders in said
11 company. The Treasurer of State may place all securities,
12 so deposited with him under the provisions of this act, in
13 a box in some banking or safe deposit company in Maine
14 maintaining regular safety deposit vaults, in which case he
15 shall provide a separate box for each company, said box
16 to be opened only in the presence of the Treasurer or some
17 person by him authorized. Sections seventy-five and sev-
18 enty-six of chapter two of the Revised Statutes shall not
19 apply to such companies, but all expense incidental to the
20 maintaining of such deposit shall be borne by the company
21 owning the securities.

Sect. 2. Said Treasurer shall then furnish such company
2 with a certificate or certificates of the fact, in his official
3 capacity, embracing the items of the security so deposited,
4 the amount and par value of each, and his opinion of their
5 value.

Sect. 3. He shall hold such securities on deposit in accord-
2 ance with these provisions, but such company may receive
3 and collect the interest or dividends thereon and withdraw
4 them from time to time, on depositing in their place other
5 securities whose market value shall be equal to the par value
6 of those withdrawn; and the Treasurer shall make such
7 exchange, if the governor and council, upon application of
8 the company, shall find and certify to him that the market

9 value of the securities offered, is not less than the par value
10 of those proposed to be withdrawn; and thereupon the Treas-
11 urer shall issue a new certificate as provided in the pre-
12 ceding section.

Sect. 4. When any such company shall satisfy the insur-
2 ance commissioner that it has no policies in force and all
3 its obligations to policy holders have been fully satisfied,
4 the Treasurer shall return its securities on demand.

Sect. 5. If any such company fails, while its securities
2 are so on deposit, said Treasurer shall demand of its sec-
3 retary or clerk, and he shall furnish a full and complete
4 list of the names and residences of all policy holders and
5 others having claims upon the company; and they shall be
6 notified forthwith through the post office by said Treasurer,
7 of the condition of the company; and he shall state in the
8 notice, that the securities held by him will be disposed of,
9 and the proceeds, after paying expenses, paid over in a
10 ratable proportion upon their claims properly authenticated,
11 and the time when such dividend will be made. Any such
12 company which has made such deposit, or the insurance
13 commissioner, or any creditor of such company may at any
14 time bring, in the supreme judicial court for the State of
15 Maine, a suit in equity against the State and other parties

16 properly joined therein to enforce, administer, or terminate
17 the trust created by such deposit. The process in such suit
18 shall be served on the Treasurer and Attorney General, who
19 shall appear and answer on behalf of the State and perform
20 such orders and decrees as the court may make therein.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,

Augusta, March 12, 1909.

Reported by Mr. BURLEIGH from Committee on Judiciary
and ordered printed under joint rules.

E. M. THOMPSON, *Clerk.*