

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-SIXTH LEGISLATURE

HOUSE

NO. 473

House of Representatives, March 10, 1913.

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

W. R. ROIX, Clerk.

STATE OF MAINE

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

AN ACT relating to rebating and twisting of life, personal,
accident and health insurance.

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

Section 1. No life insurance company doing business in
2 this state shall make or permit any distinction or discrim-
3 ination between individuals of the same class of insurance
4 risk and of equal expectation of life in the amount payable
5 upon the policy, the premiums or rates charged for policies
6 of life insurance, or in the dividends or other benefits pay-
7 able thereon, or in any other of the terms and conditions
8 of the same. No company, association or society by itself
9 or any other party, and no insurance agent, solicitor or

10 broker personally, or by any other party, shall offer, prom-
11 ise, allow, give, set off or pay, directly or indirectly, as an
12 inducement to life, personal accident or health insurance,
13 on any risk in this state now or hereafter to be written,
14 any rebate of or part of the premium payable on any policy
15 or of the agent's commission thereon; nor shall any such
16 company, association or society, agent, collector, or broker,
17 personally or otherwise, offer, promise, allow, give, set off
18 or pay, directly or indirectly, as inducement to such insur-
19 ance, any earnings, profit, dividends or other benefit,
20 founded, arising, accruing or to accrue on such insurance
21 or therefrom, or any other valuable consideration, which
22 is not specified, promised or provided for in the policy of
23 insurance; nor shall any such company, association or so-
24 ciety, agent, collector or broker, personally or otherwise,
25 offer, promise, give, or sell as inducement to such insur-
26 ance or in connection with such inducement, any stocks,
27 bonds, securities or property, or any dividends or profits
28 accruing or to accrue thereon, nor except as specified in the
29 policy, offer, promise or give any other thing of value
30 whatsoever, or purchase any stocks, bonds, securities or
31 property for which shall be paid or agreed to be paid more
32 than the fair and reasonable value thereof.

No insured person, firm or corporation shall knowingly
34 receive or accept, directly or indirectly, any rebate of pre-
35 mium or part thereof, or agent's, solicitor's or broker's com-
36 mission thereon payable on any policy of life, personal

37 accident or health insurance or any special favor or ad-
38 vantage in the dividend or other benefit to accrue thereon ;
39 nor shall any such person, firm or corporation receive any-
40 thing of value as inducement to such insurance or in con-
41 nection therewith, which is not specified, promised or pro-
42 vided for in the policy of insurance.

Any company, association, society, officer, solicitor, agent,
44 broker or other person who violates any of the provisions
45 of this section, shall be guilty of a misdemeanor and upon
46 conviction thereof, shall be sentenced to pay a fine of \$100
47 for each and every violation, or in the discretion of the
48 court, to imprisonment for a period of not less than ninety
49 days nor more than six months. The insurance commis-
50 sioner, after a hearing, shall have authority, in his discre-
51 tion, to revoke or suspend any license issued to any such
52 company, association, society, agent or broker for a period
53 not exceeding one year. Provided that nothing contained
54 in this section shall be construed to prohibit an agent from
55 receiving commissions from his company for such insurance
56 on himself.

Nothing in this section shall be so construed as to pro-
58 hibit any company issuing non-participating life insurance
59 from paying bonuses to policyholders or otherwise abating
60 their premiums in whole or in part out of surplus accu-
61 mulated from non-participating insurance ; nor to prohibit
62 any company transacting industrial insurance on the week-
63 ly payment plan from returning to policyholders who have

64 made premium payments for a period of at least one year
65 directly to the company at its home or branch offices, a per-
66 centage of the premium which the company would have
67 paid for the weekly collection of such premiums; nor to
68 prohibit any life insurance company doing business in this
69 state from issuing policies of life or endowment insurance
70 with or without annuities at rates less than the usual rates
71 of premiums for such policies insuring members of or-
72 ganizations or employees of any employer who through their
73 secretary or employer may take out insurance in an aggre-
74 gate of not less than fifty members and pay their premiums
75 through such secretary or employer.

Sect. 2. No insurance company, association or society,
2 or any officer, director, agent, broker or solicitor thereof
3 shall issue, circulate or use or cause or permit to be is-
4 sued, circulated or used, any written or oral statement, or
5 circular misrepresenting the terms of any life, personal ac-
6 cident or health policy issued or to be issued by such com-
7 pany, or misrepresenting the benefits or privileges prom-
8 ised under any such policy. No insurance company, asso-
9 ciation or society, officer, director, agent, solicitor or broker,
10 or any person, firm, association or corporation shall make
11 any misrepresentation, oral, written or otherwise, to any
12 person for the purpose of inducing or tending to induce
13 such person to take out a policy of life, personal accident
14 or health insurance, or for the purpose of inducing or tend-
15 ing to induce any person having life, personal accident or

17 health insurance to lapse, forfeit or surrender such insur-
18 ance and to take out a policy of insurance in another com-
19 pany.

Any insurance company, association or society, agent, so-
21 licitor or broker, or any person, firm, association or corpo-
22 ration, violating the provisions of this section of this act
23 shall be guilty of a misdemeanor and upon conviction there-
24 of, shall be sentenced to pay a fine of not more than \$100
25 for each and every violation, or in the discretion of the
26 court, to imprisonment for a period of not more than six
27 months. The insurance commissioner, after a hearing,
28 shall have authority in his discretion to revoke or suspend
29 the license theretofore issued to any company, association
30 or society, agent or broker, for a period not exceeding one
31 year.

Sect. 3. No person shall be excused from testifying or
2 from producing any books, papers, contracts, agreements
3 or documents at the trial or hearing of any person or com-
4 pany, association or society charged with violating any pro-
5 vision of Sections 1 and 2 of this act, on the ground that
6 such testimony or evidence may tend to incriminate him-
7 self, but no person shall be prosecuted for any act con-
8 cerning which he shall be compelled so to testify or pro-
9 duce evidence, documentary or otherwise, except for per-
10 jury committed in so testifying.

Sect. 4. Chapter 110 and Chapter 121 of the Public Laws
2 of 1907 and Chapter 207 of the Public Laws of 1909 are
3 hereby repealed.