

# MAINE STATE LEGISLATURE

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SEVENTY-SEVENTH LEGISLATURE

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SENATE

NO. 55

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*In Senate, Feb. 9, 1915.*

*Ordered, That five hundred copies be printed and that the same be referred to the Committee on Mercantile Affairs and Insurance.*

*Committee on Reference.*

*Presented by Senator Bartlett of Kennebec.*

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STATE OF MAINE

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

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AN ACT relating to the liquidation of domestic insurance  
companies.

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

Section 1. Whenever any domestic mutual fire insurance  
2 company or assessment casualty company is found after  
3 examination to be insolvent or is found to be in such con-  
4 dition that its further transaction of business shall be haz-  
5 arduous to its policy holders, its creditors or to the public,  
6 or when it has wilfully violated its charter or any law of  
7 this state or has refused to submit its books, papers, ac-  
8 counts and affairs for examination, the insurance commis-  
9 sioner may, the attorney general representing him, apply to

10 any justice of the supreme court in term time or vacation  
11 for an order directing such corporation to show cause why  
12 the insurance commissioner should not take possession of  
13 its property and conduct its business, and for such other re-  
14 lief as the nature of the case and the interests of its policy  
15 holders, creditors or the public may require.

Sect. 2. On such application, or at any time thereafter,  
2 such court may, in its discretion, issue an injunction re-  
3 straining such corporation from the transaction of its busi-  
4 ness or disposition of its property until the further order  
5 of the court. On the return of such order to show cause,  
6 and after a full hearing, the court shall either deny the  
7 application or direct such superintendent, or his successor  
8 in office, forthwith to take possession of the property and  
9 conduct the business of such corporation, and return such  
10 possession and conduct such business until, on the appli-  
11 cation either of the insurance commissioner, the attorney  
12 general representing him, or of such corporation, it shall  
13 after a like hearing, appear to the court that the ground for  
14 such order directing the insurance commissioner to take pos-  
15 session has been removed and that the corporation can prop-  
16 erly resume possession of its property and the conduct of  
17 its business.

Sect. 3. If on such application the courts shall direct the  
2 insurance commissioner to take possession of the property  
3 and conserve the assets of such corporation and to conduct  
4 the business of the company and rights of the said insurance

5 commissioner with reference to such corporation and its said  
6 assets shall be the same as those exercised by receivers and  
7 masters in chancery appointed by the courts for liquidation  
8 of insurance companies.

Sect. 4. For the purposes of this section the insurance  
2 commissioner shall have power to appoint, under his hand  
3 and official seal, one or more special deputies as his agent  
4 or agents and to employ such counsel, clerks and assistants  
5 as may be by him deemed necessary, and give each of such  
6 persons such powers to assist him as he may consider wise.  
7 The compensation of such special deputies, counsel, clerks  
8 and assistants, and all expenses of taking possession of and  
9 conducting the business of liquidating any such corporation  
10 shall be fixed by the insurance commissioner, subject to the  
11 approval of the court, and shall, on certificate of the insur-  
12 ance commissioner, be paid out of the funds or assets of  
13 such corporation. The insurance commissioner shall have  
14 power, subject to the approval of the court, to make and  
15 prescribe such rules and regulations as to him shall seem  
16 proper.

Sect. 5. At any time after the commencement of proceed-  
2 ings under an order of liquidation made pursuant to this  
3 act, the said insurance commissioner may remove the prin-  
4 cipal office of the corporation in liquidation to the city of  
5 Augusta. In event of such removal the courts shall, upon  
6 the application of the insurance commissioner, direct the

7 clerk of the county wherein such proceeding was commenced  
8 to transmit all of the papers filed therein with such clerk,  
9 to the clerk of the county of Kennebec and the proceeding  
10 shall thereafter be conducted in the same manner as though  
11 it had been commenced in the county of Kennebec.