

MAINE STATE LEGISLATURE

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SEVENTY-SEVENTH LEGISLATURE

SENATE

NO. 167

In Senate, Feb. 23, 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 Mr. Price of Sagadahoc.

STATE OF MAINE

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

AN ACT relating to Deposits of Assessment Casualty Insurance Companies.

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

Section one hundred twenty-six of chapter forty-nine, revised statutes, is hereby amended to read as follows:

'Sect. 126. Any corporation organized under section one hundred and twenty-three, prior to January 1, 1914, and doing assessment insurance business under this chapter or its charter, shall keep on deposit with the treasurer of state a reserve fund for the benefit and protection of certificate holders in said corporation; for the creation of which it shall on or before the thirty-first day of Decem-

ber of each year, deposit with said treasurer not less than ten per cent of the total receipts on assessments made to pay indemnity claims during the year then ended, until the reserve fund so accumulated shall amount to not less than one thousand dollars; provided, however, that said fund shall not at any time be reduced below an amount equal to one assessment or periodical call upon all of its members for benefit, expense and other funds. These amounts may be deposited in such interest bearing securities as the governor and council may approve, or in such securities as any insurance company or savings banks may, from time to time, be authorized to hold for purpose of investment. These securities shall be held in trust by the treasurer of state, but the corporation shall have at all times the right to exchange any part of said securities for others of like amount and character. The insurance commissioner shall annually, in February, certify to the treasurer of state, the minimum amount of reserve fund required to be kept on deposit in the state treasury by each corporation doing business on the assessment plan, under this chapter. If said corporation shall neglect for sixty days to satisfy any judgment against it, in any court in this state, then the said treasurer shall convert into money any of said securities, and forthwith satisfy such judgment, and said corporation shall not transact any further business until said deposit is restored. When any such corporation shall discontinue

36 business, any justice of the supreme judicial court may ap-
37 point a receiver or agent or the insurance commissioner to
38 administer any unexhausted portion of such fund, which
39 shall be used, less compensation not to exceed five per cent,
40 as such court or justice may allow the receiver or agent,
41 first, in the payment of accrued indemnity claims upon cer-
42 tificates or policies, or if insufficient to pay such claims in
43 full, they shall be paid, pro rata; second, if a balance re-
44 mains after the payment of such claims, such balance shall
45 be distributed to the holders of certificates then in force
46 pro rata, in proportion to the total payments by each policy-
47 holder after first paying all expenses incident to such dis-
48 tribution. If, upon the thirty-first day of December of any
49 year, the reserve fund of any such corporation is found to
50 be less than the amount of one assessment or periodical call
51 upon all the members thereof, said corporation shall, with-
52 in one year thereafter, collect from its members a sum suf-
53 ficient to bring said reserve fund up to one assessment or
54 periodical call upon all its members, and deposit the amount
55 with the treasurer of state to the credit of said fund.