

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)

NEW DRAFT

EIGHTIETH LEGISLATURE

HOUSE

NO. 273

House of Representatives, March 11, 1921.

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

CLYDE R. CHAPMAN, Clerk.

STATE OF MAINE

**IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND TWENTY-ONE**

AN ACT to Amend Section Thirty-six of Chapter Fifty-three
of the Revised Statutes.

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

Section thirty-six of chapter fifty-three of the revised statutes shall be amended by adding the following:

‘Any mutual company in place of the premium note required by law may provide in the policy of insurance as a condition of the insurance made by the policy that the insured and legal representatives shall pay in addition to the stipulated premium of such policies such sum as may be assessed by the directors of the company pursuant to the

7 laws of this state, but such contingent liability of a member
8 shall not be less than an amount equal to the cash premium
9 written in his policy. The total amount of the liability of
10 the policy-holder shall be plainly and legibly stated upon
11 the filing back of each policy', so that said section as
12 amended shall read as follows:

'Sect. 36. The insured, before receiving his policy, shall
2 deposit his note for the sum determined by the directors,
3 which shall not be less than five per cent of the amount
4 insured, and such part of it as the by-laws require, shall be
5 immediately paid and indorsed thereon; and the remainder
6 in such installments, as the directors from time to time re-
7 quire for the payment of losses and other expenses, to be
8 assessed on all who are members when such losses or ex-
9 penses happen, in proportion to the amounts of their notes.
10 Provided, that a mutual company which collects a cash pre-
11 mium of not less than the tariff rate charged by stock com-
12 panies may take a premium note for an equal amount and
13 such companies shall maintain a premium reserve equal to
14 fifty per cent of the cash premium on its policies in force.
15 No domestic mutual insurance company shall insure in one
16 risk an amount exceeding twenty-five per cent of its gross
17 assets, including the amount at any time due on its premium
18 notes. Any mutual company in place of the premium note
19 required by law may provide in the policy of insurance as
20 a condition of the insurance made by the policy that the
21 insured and legal representatives shall pay in addition to

22 the stipulated premium of such policies such sum as may
23 be assessed by the directors of the company pursuant to
24 the laws of this state, but such contingent liability of a mem-
25 ber shall not be less than an amount equal to the cash pre-
26 mium written in his policy. The total amount of the lia-
27 bility of the policy-holder shall be plainly and legibly stated
28 upon the filing back of each policy.'