

MAINE STATE LEGISLATURE

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E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 941

H. P. 1612

House of Representatives, March 17, 1933.

Received pursuant to joint order, passed March 15. Referred to Committee on Mercantile Affairs and Insurance. 500 copies ordered printed. Sent up for concurrence.

HARVEY R. PEASE, Clerk.

Presented by Mr. Plummer of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED THIRTY-THREE

AN ACT Providing for the Temporary Support and Regulation of Insurance Companies.

Emergency preamble. Whereas a general suspension of banking privileges has already taken place throughout the United States and may continue for an indefinite period before deposits in banks and the proceeds from the sale of securities of insurance companies are available for payment of outstanding claims; and

Whereas, public exigencies may require the segregation of corporate funds beyond the times when such claims may become due, by judicial decree, agreement or otherwise; and

Whereas, existing laws may be inapplicable or inadequate; and

Whereas, the facts render the passage of this act necessary for the immediate preservation of the public health, peace and safety, and constitute an emergency within the meaning of the constitution, now, therefore,

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

Sec. 1. The Insurance Commissioner empowered to act. The Insurance Commissioner, hereinafter called the Commissioner, shall have power to make, amend, or rescind such rules and regulations governing the business of any insurers as he deems expedient in order to adopt and maintain sound methods of protecting the interests of insurance companies, insureds, beneficiaries, or the public.

Sec. 2. Commissioner empowered to regulate or suspend companies.

The Commissioner is hereby empowered to suspend for such time or times as he may determine the transaction of insurance functions of any insurer licensed in the state, whether domestic or foreign, solvent or otherwise, and to limit its insurance business in volume or character, to such particular amounts or classifications and for such time or times as he may deem advisable.

Sec. 3. Commissioner may defer payments when necessary. The Commissioner shall have, by rules or orders made and issued by him, authority to postpone or defer for such time or times as he may determine the payment of any amount payable under the terms of any policy of insurance, annuity or pure endowment contract, and the payment of judgments, notes, drafts, checks, bills of exchange, or other forms of payment of claims due from companies to any person, firm or corporation, whether such claim is liquidated or unliquidated, due or to become due at a day certain, and may direct payment in full or in part whenever in his discretion such payment may be safely consummated.

Sec. 4. Insurer defined. The word insurer shall include corporations, inter-insurers, associations, societies and orders as well as partnerships and individual agents, representing such organizations.

Sec. 5. Personal responsibility of the Commissioner limited. The Commissioner shall not be held legally responsible for any act or failure to act in the premises when such act, or failure to act, shall have been shown to be the result of good faith.

Sec. 6. Penalties for violations. Any violation of any order issued by virtue of this act, or any rule or regulatory provision made by the Commissioner pursuant thereto, shall be punishable by a fine of not more than \$1,000, or by imprisonment for not longer than one year, or by both.

Sec. 7. Jurisdiction of the courts. Said Commissioner is hereby authorized to issue such directions, rules or orders as in his discretion the circumstances may warrant, and any justice of the supreme judicial, or superior, courts shall have full jurisdiction to enforce the provisions of this act by appropriate decrees in equity.

Sec. 8. Duration of the act at will of the Governor. The authority and power given the Insurance Commissioner under this act may be terminated, suspended, renewed or extended by the Governor, at his discretion, and shall be of no effect when the existing emergency has been declared terminated by the Governor, or at such subsequent time as the Governor shall prescribe.

Sec. 9. Emergency clause. In view of the emergency set forth in the foregoing preamble this act shall take effect when approved.