

MAINE STATE LEGISLATURE

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N I N E T I E T H L E G I S L A T U R E

Legislative Document

No. 763

H. P. 1451

House of Representatives, February 11, 1941.

Referred to Committee on Mercantile Affairs and Insurance. Sent up for concurrence and 650 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Pierce of Bucksport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-ONE

AN ACT Providing for Financing of Mutual Insurance Companies.

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

R. S., c. 60, § 36, amended. Section 36 of chapter 60 of the revised statutes, as amended, is hereby further amended by adding at the end thereof a new paragraph to read as follows :

‘Any domestic mutual insurance company may, without pledging any of its assets, receive advances or borrow funds necessary for the purpose of its business or to enable it to comply with any surplus requirement or to make good any impairment or deficiency or other requirement of the laws of this state, or to defray the reasonable expenses of its organization, or to provide any fund to be voluntarily contributed to surplus, upon an agreement that such moneys and such interest thereon as may be agreed upon, said interest not exceeding 6% per annum, shall be repaid only out of free and divisible surplus of such insurer with the approval of the insurance commissioner whenever, in his judgment, the financial condition of such insurer warrants it. Any such sum or sums so advanced or so borrowed shall not form a part of the legal liabilities of such insurer and shall not be a basis of any set-off; but until repaid all statements published by such insurer or filed with the insurance commissioner shall show, as a footnote thereto, the amount thereof then remaining unpaid.’