

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 795**

H. P. 1338

House of Representatives, February 11, 1941.

Referred to the Committee on Banks and Banking and 750 copies ordered printed. Sent up for concurrence.

HARVEY R. PEASE, Clerk.

Presented by Mr. Pierce of Bucksport.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FORTY-ONE

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**AN ACT Relating to Savings Bank Life Insurance.**

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

**Sec. 1. Definitions.** The following words as used in this chapter shall, unless the context otherwise requires, have the following meanings:

“Savings Bank,” a savings bank incorporated under the laws of the state, including institutions for savings incorporated as such in the state.

“Savings and insurance bank,” a savings bank which has established an insurance department.

“Savings department,” that department of a savings and insurance bank in which the business done by savings banks other than that provided for by this chapter is conducted.

“Insurance department,” the department of a savings and insurance bank in which the business of issuing life insurance and the granting of annuities is conducted.

“Trustees,” trustees of the savings bank or savings and insurance bank.

“Treasurer,” the treasurer of the savings bank or savings and insurance bank.

**Sec. 2. Savings banks may establish insurance departments.** Any savings bank may, upon complying with the provisions hereinafter set

forth, establish an insurance department if its board of trustees has, at a meeting specially called for the purpose voted so to do by a majority of  $\frac{2}{3}$  of its trustees present at the meeting and voting, and if such vote has been ratified by vote of a majority of the incorporators present and voting at a meeting duly called therefor. The notice of such trustees' meeting shall be given at least 30 days prior to the date of the meeting, and shall be otherwise in accordance with any laws and by laws governing the calling of special meetings of trustees. Copies of the vote of the trustees to establish the insurance department and of the vote of the incorporators ratifying the same, certified to by the clerk of the bank, and sworn to by the president or vice-president and the treasurer or assistant treasurer, shall be filed with the bank commissioner and with the insurance commissioner within 30 days after the adoption thereof; and if said commissioners shall find said votes to be in conformity with law, and that the conditions provided by the following section have been complied with, and if in the opinion of the bank commissioner the financial condition of the bank presents no objection to the establishment of an insurance department, they shall issue a joint certificate declaring said insurance department established.

**Sec. 3. Conditions to be complied with.** The certificate establishing the insurance department shall not be issued until there shall have been provided (a) a special expense guaranty fund as set forth in the following section, and (b) either a special insurance guaranty fund as set forth in section 5, or a guaranty contract under section 20, and until (c) a certificate in duplicate, under the oath of the treasurer, shall have been filed with the insurance commissioner and the bank commissioner certifying that said special expense guaranty fund and said special insurance guaranty fund or guaranty contract have been furnished, and (d) said commissioners shall, upon investigation, have made a joint finding that said requirements have duly been complied with.

**Sec. 4. Special expense guaranty fund.** The special expense guaranty fund mentioned in the preceding section shall consist of not less than \$5,000 in cash, advanced to and placed at the risk of said department as a guaranty fund to be applied in payment of the expenses thereof, if and so far as the amounts contributed from the loading in the insurance premium and in annuity charges, together with any membership fee and surrender and death charges, shall prove insufficient to pay the expenses of said insurance department. The original amount of such guaranty fund shall be fixed by the trustees, with the approval of the state actuary of the division of savings bank life insurance of the department of banking and insurance,

and the guaranty fund may be increased at any time thereafter by the trustees. The amounts advanced as a special expense guaranty fund shall be evidenced by certificates of the par value of \$100, and the holders thereof shall be credited with interest thereon annually, with annual rests, at a rate equal to the average rate paid in that year upon its deposits by the savings department. If in any year ending October 31 the profits remaining, after setting aside amounts for surplus as provided in section 22, shall be sufficient therefor, the trustees shall from such profits reimburse said expense guaranty fund for any amounts theretofore drawn from it to defray expenses of the insurance department; and if, after so reimbursing said fund, and after reimbursing the special insurance guaranty fund for amounts theretofore drawn from it, the balance of profits shall be sufficient therefor, the trustees shall pay to the holders of the certificates of said expense guaranty fund the interest accrued thereon, or such part thereof as the amount may suffice to cover. Said expense guaranty fund may be retired, with the approval of the bank commissioner and the insurance commissioner whenever in the opinion of the trustees it is no longer required. The amount so advanced as an expense guaranty fund shall be repaid, and the interest credited shall be paid only as above provided, or under section 26, and shall not be deemed a liability of the insurance department in determining the solvency thereof.

**Sec. 5. Special insurance guaranty fund.** The special insurance guaranty fund mentioned in section 3 shall consist of not less than \$20,000 in cash, advanced to and placed at the risk of the insurance department, which shall be applicable to the payment and satisfaction of all losses or other obligations arising out of policies or annuity contracts if and whenever the liabilities of said department, including the insurance reserve, are in excess of its assets. The original amount of such special insurance guaranty fund shall be fixed by the trustees, with the approval of the state actuary, and the guaranty fund may be increased at any time thereafter by vote of the trustees. The amounts advanced to such special insurance guaranty fund shall be represented by certificates of the par value of \$100; and the holders thereof shall be credited with interest thereon annually, with annual rests, at the rate equal to the average rate paid in that year upon its deposits by the savings department. If in any year ending October 31 the profits remaining are sufficient therefor, after setting aside amounts for the surplus as provided in section 22, and reimbursing the special expense guaranty fund and said special insurance guaranty fund for all amounts theretofore drawn from them or either of them, and paying interest on the certificates representing the special expense guaranty fund, the trustees may pay the

interest accrued on said insurance guaranty certificates or such part thereof as the amount may suffice to cover. After the special expense guaranty fund has been retired as provided in § 4, said special insurance guaranty fund may, with the approval of the insurance commissioner, be retired by the trustees as soon as the insurance department shall have accumulated a surplus in excess of all its liabilities equal to the amount of such guaranty fund, including any interest accrued thereon remaining unpaid; and said insurance guaranty fund may, with like approval, be retired from time to time, in part, but the balance of such guaranty fund, including unpaid interest plus the surplus on hand, shall at no time be less than the amount of the original insurance guaranty fund. The amounts so advanced as an insurance guaranty fund shall be repaid and the interest credited thereon shall be paid only as above provided, or under section 26, and shall not be deemed a liability of the insurance department in determining the solvency thereof.

**Sec. 6. Policies of insurance and annuities.** Any savings and insurance bank acting through its insurance department, after the issue of the license provided for in the following section, may make and issue policies upon the lives of persons and grant or sell annuities with all the rights, powers, and privileges and subject to all the duties, liabilities and restrictions in respect to the conduct of the business of life insurance conferred or imposed by general laws relating to domestic legal reserve life insurance companies, so far as the same are applicable and except as is otherwise provided herein. The insurance department shall in all respects, except as is otherwise provided herein, be managed as savings banks are managed under general laws relating to savings banks. Such insurance department may decline particular classes of risks or reject any particular application.

**Sec. 7. License to do business.** A license to issue policies and make annuity contracts shall, upon the application of the trustees, be granted by the insurance commissioner to any savings and insurance bank which has duly complied with the requirement set forth in section 3; but the said license shall be revocable by said commissioner at his discretion, and after having given 30 days' written notice to said trustees, provided not more than \$20,000 of insurance on not less than 100 lives of residents of the state, on which all payments due by the terms thereof have been made thereon, shall have been applied for and issued, and then remain outstanding. A list showing the amount of outstanding policies, with the names of the holders thereof, shall be filed by the treasurer of the said bank with said commissioner at the close of each month until the above limits as to amount of

insurance and number of persons insured and holding policies standing in full force by reason of the due payment of premium, have been exceeded. Upon the filing of every such list, the correctness of which shall be certified by the treasurer on oath, the said commissioner may make such investigations as he deems proper, in order to ascertain the truth of the facts thus certified by the treasurer.

The revocation of the license of any bank under the terms of this section shall not affect the right and the obligation of the bank to continue and fulfil its existing contracts, or the right, with the approval of said commissioner, to reinsure them or to transfer them to another bank or company holding a license to do insurance business in the state.

**Sec. 8. Savings department distinct from insurance department.** The assets of the savings department shall be liable for and applicable to the payment and satisfaction of the liabilities, obligations and expenses of the savings department only. The assets of the insurance department shall be liable for and applicable to the payment and satisfaction of the liabilities, obligations and expenses of the insurance department only. The savings department and the insurance department shall be kept distinct also in matters of accounting and of investment. Expenses pertaining to the conduct of both the savings department and the insurance department, such as office rent and the salaries of general officers, shall be apportioned by the trustees equitably between the 2 departments.

**Sec. 9. Investment of insurance funds.** The funds of the insurance department, whether arising from premiums, annuity contracts, guaranty funds, or from the income thereof, and whether constituting insurance reserve or surplus, shall be invested in the same classes of securities and in the same manner in which the deposits of the savings departments are required by law to be invested, except that it may make loans upon any policy of insurance or annuity contract issued by it to the extent specified in section 16.

**Sec. 10. Limit of insurance.** No savings and insurance bank shall write any policy or annuity contract binding it to pay more than \$1000, exclusive of dividends or profits, upon the death of any one person, except under such agreement as it may make to pay an amount equal to a cash surrender value which may exceed \$1000, and except for such amount, if any, as it may be bound to pay upon the death of such person under an employees' group policy, or under an annuity contract embodying an agreement to refund, upon the death of the holder, to his estate or to a specified payee, a sum not exceeding the premiums paid thereon with compound

interest, nor shall it write any annuity contract otherwise binding it to pay in any one year more than \$200, exclusive of dividends or profits.

**Sec. 11. Non-forfeiture of policies after payment of 6 months' premiums.**

No policy of life or endowment insurance issued by any savings and insurance bank shall become forfeit or void for nonpayment of premium after 6 full months' premiums have been paid thereon; and in case of default in the payment of any subsequent premium, then, without any further stipulation or act, such policy shall be binding upon the bank at the option of the insured, either (a) for the cash surrender value or (b) for the amount of paid-up insurance which the then net value of the policy and all dividend additions thereon, less any indebtedness to the bank on account of said policy, and less a surrender charge of not more than 1% of the face value of the policy, will purchase as a net single premium for life or endowment insurance, maturing or terminating at the time and in the manner provided for in the original policy contract, or (c) for the amount of paid-up term insurance which such net value would purchase.

**Sec. 12. Conversion of annuity.** Section 11 shall not apply to annuity or pure endowment contracts with or without return of premiums, or of premiums and interest, whether simple or compound, or to survivorship annuity contracts or survivorship insurance policies, and, in the case of a policy providing for both insurance and an annuity, shall apply only to that part of the policy providing for insurance; but every such policy providing for a deferred annuity on the life of the insured only shall, unless paid for by a single premium, provide that, in the event of the nonpayment of any premium after 6 months' premiums shall have been paid, the annuity shall automatically become converted into a paid-up annuity for such proportion of the original annuity as the period for which premiums have been paid bears to the total period for which premiums are required to be paid under the policy.

**Sec. 13. Insurance for residents only.** No policy or annuity contract shall be issued except upon the life and for the benefit of a resident of the state or of a person regularly employed therein. If the holder of any policy or annuity issued by such a bank becomes a resident of another state or country, it shall be necessary, unless the bank otherwise provides, for such a policy holder or such an annuitant, or his duly authorized representative, or the beneficiary entitled to a claim for loss under such a policy, to make or receive payments at the bank, or by correspondence, without notice from the bank. Should a lapse occur by reason of the failure of any such person to do so seasonably, the liability of the bank, in case of a

policy of insurance, shall be only for the amount of its previously acquired paid up insurance value, or, on demand, for the stipulated cash surrender value thereof.

**Sec. 14. Solicitors not to be employed by banks.** Savings and insurance banks shall not employ solicitors of insurance, and shall not employ persons to make house to house collections of premiums; but the trustees may establish such agencies and means for the receipt of applications for insurance of deposits and of premium and annuity payments, at such convenient places and times, of such nature and upon such terms as the bank commissioner and the insurance commissioner may approve. The trustees may also, with like approval, appoint any savings bank or savings and insurance bank its agent to make, so far as thereunto authorized, payments due on policies of insurance and on contracts for annuities, and to perform other services for the insurance department. All savings banks and all savings and insurance banks may, with like approval, act as such agents. The business of the insurance department may, in the discretion of the trustees, be carried on either in the same building with that of the savings department or in a different building.

**Sec. 15. Management of general insurance guaranty fund.** The general insurance guaranty fund shall be a body corporate, with the powers specifically provided in this chapter and with all the general corporate powers incident thereto. It shall be managed by the board of trustees appointed under section 34.

**Sec. 16. Duties of state actuary.** The state actuary, appointed under section 35, with the advice of the attorney general as to matters of legal form, shall prepare standard forms of life insurance policies and life annuity contracts, including a whole life policy, a limited payment life policy, a limited term policy, an endowment policy, an annuity contract, and a combination of life insurance policy and deferred annuity contract, and such others as may from time to time, in the opinion of the insurance commissioner, be desirable. Such standard forms shall be used as the uniform and exclusive forms of policies by all savings and insurance banks. He shall also prepare the form of blanks for application for life insurance policies and life annuity contracts and for proof of loss, and all other forms necessary for the efficient prosecution of the business, also books of record and of account, and all schedules and all reports, not otherwise provided for, required in the conduct of the business, and these shall be used as the uniform and exclusive form of blanks, books, schedules and reports in the insurance departments of all savings and insurance banks. He shall also,



consistently with the law governing domestic legal reserve life insurance companies, determine and prepare the table of premium rates for all kinds of life insurance policies, and the purchase rates for annuities, and the amount of the membership fee, the surrender and any proof of death charges, and the premium rates for reinsurance. The rates, fees and charges so fixed shall be adopted as the uniform and exclusive premiums, annuity rates, the initiation, the surrender, and the proof of death charges. He shall also determine and prepare tables showing the amounts which may be loaned on insurance policies, and the reinsurance rates to be charged by all savings and insurance banks, and the guaranty charges to be made by the general insurance guaranty fund, but the loan value shall in no event exceed the reserve on any policy. He shall also prepare or procure tables for computing the legal reserve to be held under insurance and annuity contracts, and for this purpose may, with the approval of the insurance commissioner, adopt a table of mortality which may be deemed more suitable than the American experience table for policies of insurance of the character and amounts to which the risks of the banks are limited; and shall in all other respects, except as otherwise provided, perform the duties of insurance actuary for all the savings and insurance banks and the general insurance guaranty fund. The ordinary routine work of the banks, shall be performed by their clerks, guided and assisted, so far as may be necessary, by the advice and instruction of the state actuary; but an annual valuation of all the policies of the banks and of the condition of the general insurance guaranty fund as of October 31st of each year shall be made in the office of the state actuary under his direction, and from schedules of policy data on blanks furnished by him and prepared by the banks in accordance with his instructions. The state actuary shall also furnish to the savings and insurance banks and to the general insurance guaranty fund all blanks for policies, applications, schedules, and other papers and books which the state actuary is required to prepare, as herein provided. The state actuary shall for each year ending October 31st determine the ratio of actual to expected mortality claims for all of the savings and insurance banks combined, and shall determine a similar ratio for each of the savings and insurance banks separately. Both calculations shall be based upon the mortality tables and the rate of interest used by the banks in the calculation of the premiums, or upon such other bases as shall be approved by the insurance commissioner. If the calculation of the ratio pertaining to any savings and insurance bank shows that the actual mortality experience is less than the mortality expected to be experienced by all of the banks combined, the state actuary shall send to such bank a certificate setting forth the amount of such difference, and thereupon such

bank shall send to the general insurance guaranty fund in cash the amount of such certificate. The state actuary shall also furnish to the trustees of the general insurance guaranty fund a certificate in respect to any savings and insurance bank in which the ratio of the actual to the expected mortality has exceeded the ratio of the actual to the expected mortality for all of the banks combined, and thereupon the trustees of the general insurance guaranty fund shall pay to such bank the amount of such excess as evidenced by such certificate.

In determining the net profits, as defined in section 22, to be distributed to the holders of the policies and annuity contracts each year for each savings and insurance bank, the state actuary shall consider as a mortality factor the ratio of the actual to the expected mortality for all of the savings and insurance banks combined.

**Sec. 17. Duties of state medical director.** The state medical director appointed under section 36 shall, subject to the supervision and control of the insurance commissioner, prescribe the rules relating to health or acceptability of the applicant for insurance, and shall act as supervising and advising physician for the medical department of all the savings and insurance banks.

**Sec. 18. Reimbursement to state.** There shall be paid to the state on December 30th in each year sums expended by it for the division of savings bank life insurance during the year ended on November 30th next preceding. Said sums so to be repaid to the state shall be apportioned by the trustees of the general insurance guaranty fund among the savings and insurance banks in proportion to their premium income, or on such other basis as the said trustees shall deem equitable and proper, and said banks shall be assessed therefor in accordance with such apportionment; provided, that no savings and insurance bank shall be assessed for any part of said expenditure unless and until it shall have accumulated in its insurance department a surplus fund of not less than \$20,000 as provided in sections 5, 20 and 22, or unless and until 5 years shall have elapsed from the date when it shall have been licensed by the insurance commissioner to issue policies and make annuity contracts, whichever event shall sooner happen. Any sum so apportioned to banks so exempted shall be paid to the state by the trustees of the general insurance guaranty fund from the interest income thereof on or before December 30th in each year.

**Sec. 19. Contributions to general insurance guaranty fund.** Every savings and insurance bank shall, on the 3rd Wednesday of each month, pay to the general insurance guaranty fund an amount equal to 4% of all

amounts paid to it as premiums on policies or in the purchase of annuities during the preceding month. Said sums shall be held as a guaranty for all obligations on policies or annuity contracts of the insurance departments of all savings and insurance banks; and so much thereof shall be paid over to any bank, to be applied in the payment of losses or satisfaction of other obligations on said policies or annuity contracts, as may be required to prevent or to make good an impairment of its insurance reserve. Any amount so paid to any bank shall be charged to its account, and be repaid, with interest compounded semi-annually at the rate of 5% per annum out of the surplus funds of said insurance department as soon and so far as an adequate surplus exists. The amounts so advanced by the general insurance guaranty fund to any bank shall be repaid only as above provided, and shall not be deemed a liability in determining the solvency of its insurance department.

**Sec. 20. When funds of the general insurance guaranty fund are sufficient, it may guarantee insurance risks in certain cases.** Whenever the funds held by the general insurance guaranty fund are, in the opinion of both insurance commissioner and the bank commissioner, sufficient therefor, the trustees of the fund may enter into a contract with any savings bank desiring to establish an insurance department to guarantee all the risks of such bank until such time as it shall have a surplus of not less than \$20,000. If such guaranty contract is entered into by any bank, it shall not be necessary to provide the special insurance guaranty fund provided for in section 5 before the insurance commissioner and the bank commissioner are entitled to issue the certificate establishing the insurance department as provided in section 3.

**Sec. 21. Investment of general insurance guaranty fund.** The funds of the general insurance guaranty fund shall be invested in the same classes of securities and in the same manner in which the deposits of the savings department are required by law to be invested; but the trustees of said fund shall be at liberty to deposit in any savings bank any funds on hand which, by reason of the smallness of the amount or for any other reason, cannot, in the opinion of said trustees, otherwise properly be invested at that time.

**Sec. 22. Surplus.** Each savings and insurance bank shall annually set apart as a surplus from the net profits, if any, which have been earned in its insurance department, an amount not less than 20% nor more than 75% thereof, until such surplus amounts to \$20,000. Thereafter each such bank may add in any year to its surplus not more than 15% of the net profits, if

any, which have been earned in its insurance department in such year ; provided, that, with the approval of the state actuary, an amount in excess of said 15% of said net profits may be added to said surplus and, provided further, that no such bank shall, without the approval of the state actuary, add to its said surplus any amount which would make said surplus exceed 10% of the net insurance reserve of said bank. Such surplus shall be maintained and held or used so far as necessary to meet losses in its insurance department whether from unexpectedly great mortality, depreciation in its securities, or otherwise, and, after said surplus amounts to \$20,000, for the maintenance of a stable dividend scale, and for the payment of settlement or maturity dividends or both in such manner and in such amounts if any, as may from time to time be directed by the state actuary. The balance of the net profits of each year shall annually be distributed equitably among the holders of its insurance policies and annuity contracts, such distribution, so far as relates to the holders of insurance policies, to be made at the option of the policy holder in accordance with section 140 of chapter 175.

**Sec. 23. Policies, how signed.** Life insurance policies and annuity contracts may be signed on behalf of the savings and insurance banks by the treasurer or assistant treasurer, or by such other officer or employee of the savings and insurance banks as the trustees may from time to time determine.

**Sec. 24. Reduction of contribution to general insurance guaranty fund.** Whenever the net assets of the general insurance guaranty fund over all liabilities exceed \$100,000 or 5% of the aggregate outstanding insurance reserve of all savings and insurance banks, whichever is the greater, the trustees of said fund may, with the approval of the insurance commissioner, reduce the percentage of premiums on insurance and annuities so payable to it or altogether discontinue the same; but said trustees may require at any time thereafter said contribution to be made at a rate not exceeding that provided for in section 19.

**Sec. 25. Suits.** Any suit brought on or in respect to any policy or annuity contract issued by any savings and insurance bank shall be brought in the county where such bank is located, and within 2 years after the date of the alleged cause of action.

**Sec. 26. Discontinuance of insurance department.** Any savings and insurance bank may at any time discontinue the issuing of insurance policies and annuity contracts if its board of trustees has, at a meeting duly called for the purpose, voted so to do by a majority of 2/3 of its trustees present

at the meeting and voting. The notice of such meeting shall be given at least 30 days prior to the date thereof, and shall be otherwise in accordance with any laws or by-laws governing the calling of special meetings of trustees. A copy of the vote to discontinue said business, certified to by the clerk of the bank, and sworn to by its president or vice-president and its treasurer or assistant treasurer, shall be filed with the bank commissioner and also with the insurance commissioner. A bank which has so voted may reinsure all outstanding policies and annuity contracts in any other savings and insurance bank, or, with the approval of the insurance commissioner and the bank commissioner in any purely mutual legal reserve life insurance company organized under the laws of the state, if such company does not employ solicitors of insurance or make house to house collection of premiums, and does not provide for the payment of interest on its guaranty capital of more than 4%, if it makes provision satisfactory to the insurance commissioner for carrying out with reasonable convenience to policy holders and annuitants its existing contracts. When a bank which has voted to discontinue said business has so reinsured its outstanding policies and annuity contracts, or fully performed the same, it shall transfer to the general insurance guaranty fund all the assets of the insurance department remaining after paying all its liabilities, including special guaranty fund certificates issued under sections 4 or 5.

**Sec. 27. Examination of insurance department.** The insurance commissioner and the bank commissioner shall, at least once in 3 years and whenever they deem it expedient, either alone or together, personally or by deputy or assistant, examine the insurance department of each savings and insurance bank and the general insurance guaranty fund. At such examination they shall have free access to the vaults, books and papers, and shall thoroughly inspect and examine the affairs of any such corporation to ascertain its condition, its transactions, its ability to fulfil its obligations, and whether it has complied with all the provisions of law applicable to it. They shall preserve in a permanent form a full record of their proceedings, including a statement of the condition of the insurance department of each of said banks, and of the general insurance guaranty fund.

**Sec. 28. Summoning witnesses, etc.** Either of said commissioners, or his deputy or assistant specially authorized by him in writing, may summon the trustees, officers or agents of any such corporation, and such other witnesses as he thinks proper, and examine them relative to the affairs, transactions and conditions of the insurance department or of the general insurance guaranty fund, and for that purpose may administer oaths.

Whoever without justifiable cause refuses to appear and testify when so required, and whoever obstructs a commissioner in the performance of his duty, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 11 months.

**Sec. 29. Injunctions and receivers.** If upon examination the insurance department of any savings and insurance bank appears to both the bank commissioner and the insurance commissioner to be insolvent, or if they find its condition such as to render the continuance of its business hazardous to the public or to the holders of its policies or contracts, the commissioners shall apply or, if such bank appears to have exceeded its powers or failed to comply with any provision of law, may apply to the supreme judicial court, which shall have jurisdiction in equity of such application, for an injunction to restrain such department, in whole or in part, from further proceeding with its business. The court may appoint one or more receivers to take possession of the property of the insurance department, subject to such directions as may from time to time be prescribed by the court, without in any respect affecting the operations of the savings department.

**Sec. 30. Annual report of savings insurance banks.** The treasurer shall annually, within 60 days after the last business day in October, file with the insurance commissioner and the bank commissioner a statement showing the financial condition of the insurance department on the last business day of October. Such annual statement shall be in the form required by the commissioners, who shall embody therein so much of the forms now prescribed for life insurance companies and for savings banks as may seem to them appropriate, with any additional inquiries they may require for the purpose of eliciting a complete and accurate exhibit of the condition and transactions of the banks. The assets and liabilities shall be computed and allowed in such statement in accordance with the rules governing insurance companies except as herein otherwise provided. The president or vice-president of the savings and insurance bank and 5 or more of its trustees shall make oath that the report is correct according to the best of their knowledge and belief. The insurance commissioner and the bank commissioner may also at any time require the treasurer to make such other statement of condition or furnish such other information concerning the insurance department as they deem necessary.

**Sec. 31. Annual report of general insurance guaranty fund.** The treasurer of the general insurance guaranty fund shall annually, within 60 days after the last business day of October, file with the insurance commissioner and the bank commissioner a statement, in such form as said commissioners

shall prescribe, showing its financial condition on the last business day of October, and shall also at any time make such statement of condition and furnish such other information concerning its business as said commissioners deem necessary. The president of said fund and 3 or more trustees thereof shall make oath that the report is correct to the best of their knowledge and belief.

**Sec. 32. Commissioners' reports.** The insurance commissioner and the bank commissioner shall prepare annually from the said reports concerning insurance departments and the general insurance guaranty fund, and communicate to the general court on or before the first Wednesday in February, a statement of the condition of each savings and insurance bank and of said general insurance guaranty fund, and shall make such suggestions as they consider expedient relative to the general conduct and condition of each bank visited by them.

**Sec. 33. Commissioner.** The division of savings bank life insurance shall consist of the body corporate known as the general insurance guaranty fund. The insurance commissioner shall be one of the board of trustees of the corporation, designated by the governor as such commissioner. His term shall be that of his appointment as trustee. He shall act as president of the board of trustees of said corporation, and shall have general supervision and control of the work of the division.

**Sec. 34. Trustees, deputy.** The governor, with the advice and consent of the council, shall annually appoint a trustee of the general insurance guaranty fund for 7 years from July 1st in the year of his appointment. Such trustee shall serve without compensation and shall be selected from persons who are trustees of savings banks or of savings and insurance banks. The trustees may elect from their own number a vice-president to act as president of the board of trustees in the absence or disability of the president, and shall elect a treasurer and a clerk, all of whom shall hold office for one year and until their successors are appointed. The trustees may, with the approval of and subject to confirmation by the governor and council, appoint, and with their consent remove, a deputy who shall discharge the duties of the commissioner during his absence or disability.

**Sec. 35. State actuary.** The trustees shall, with the approval of the governor and council, appoint, and may with their consent remove, an insurance actuary to be called state actuary, with such salary or compensation to be paid by the state as the trustees shall from time to time determine. The trustees may also appoint such clerks and assistants to the state actuary as the public business in his charge may require.

**Sec. 36. State medical director.** The trustees shall, with the approval of the governor and council, appoint, and may with their consent remove, a physician to be known as the state medical director, with such salary or compensation to be paid by the state as the trustees shall from time to time determine. The state medical director may appoint such assistants, if any, as the public business in his charge requires.

**Sec. 37. Taxation.** Savings and insurance banks doing business in this state shall, in respect to all funds held by the insurance department as a part of its insurance reserve or surplus, and the general insurance guaranty fund created by said chapter shall in respect to all funds held by it, pay to the state the same taxes, at the same rate, to the same extent, and in the same manner as taxes under section 11 are payable on deposits held by the savings department. Savings and insurance banks shall not be taxable on funds held as part of the expense guaranty fund, or of the insurance guaranty fund, nor shall such banks or the general insurance guaranty fund be liable to the state for any taxes or fees provided to be assessed upon life insurance companies, or for any taxes or fees except as above provided. All insurance policies and annuity contracts issued by such banks shall otherwise be exempt from taxation.