

MAINE STATE LEGISLATURE

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N I N E T Y - F I R S T L E G I S L A T U R E

Legislative Document

No. 779

H. P. 1273

House of Representatives, March 12, 1943.

Reported by Mr. Bowker ought to pass new draft from Committee on Mercantile Affairs and Insurance. Tabled pending acceptance of report and new draft ordered printed.

HARVEY R. PEASE, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-THREE

AN ACT Relating to Mutual Fire Insurance Companies.

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

Sec. 1. R. S., c. 60, § 34, amended. Section 34 of chapter 60 of the revised statutes is hereby amended to read as follows:

'Sec. 34. Indorsements on policies. Every such company shall cause to be printed or written on the outside of every policy that it issues, under the number, name of the ~~insured~~ **assured**, and date of ~~the~~ expiration, the words "Total liability to assessment", and the figures showing such liability, **except non-assessable policies.'**

Sec. 2. R. S., c. 60, § 36, amended. Section 36 of chapter 60 of the revised statutes is hereby amended by adding at the end thereof the following:

'Provided, however, that a domestic mutual fire insurance company from and after the effective date of this act may issue non-assessable policies in this state upon compliance with either of the following requirements, notwithstanding the provisions of any special law or charter previously enacted by the legislature.

(a) It shall have and maintain a surplus to policyholders, as determined

by its latest annual statement filed with the state insurance department, of not less than \$100,000, or

(b) It shall have and maintain a surplus to policyholders, as determined by its latest annual statement filed with the state insurance department, of not less than \$75,000, provided its unearned premium reserve is at all times less than its surplus to policyholders.

If such a company, after qualifying to issue a non-assessable policy, shall fail to maintain either of the above requirements it shall cease to issue a non-assessable policy until it has again met and maintained the above requirements for a period of 1 year. If such a company issues both assessable and non-assessable policies, any assessment levied shall be for the exclusive benefit of holders of policies subject to assessment and such policyholders shall not be liable to an assessment in an amount greater in proportion to the total deficiency than the ratio that the deficiency attributable to the assessable business bears to the total deficiency.'

Sec. 3. R. S., c. 60, § 104, amended. Section 104 of chapter 60 of the revised statutes is hereby amended by adding at the end thereof the following:

'After the effective date of this act any Foreign Mutual Fire Insurance Company admitted to do business in this state in accordance with the requirements of this chapter shall be allowed to write a non-assessable policy if its cash surplus is kept and maintained in excess of \$200,000, as determined by the insurance commissioner in accordance with the provisions of this chapter. If such a company, after qualifying to issue non-assessable policies, shall fail to maintain such a surplus it shall cease to issue a non-assessable policy until it has again met and maintained such a surplus for a period of 1 year.'