

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 128**

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S. P. 85

In Senate, January 25, 1945.

Referred to the Committee on Banks and Banking, sent down for concurrence and ordered printed.

ROYDEN V. BROWN, Secretary.

Presented by Senator Cross of Kennebec.

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**STATE OF MAINE**

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FORTY-FIVE

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**AN ACT** Relating to the Duties of Directors and Trustees of Banks and Directors of Loan and Building Associations, Regarding Insurance upon Mortgage Property.

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

**Sec. 1. R. S., c. 55, § 16-K, additional.** Chapter 55 of the revised statutes is hereby amended by adding thereto a new section to be numbered 16-K and to read as follows :

‘Each banking institution, including loan and building associations, conducting business within the state, shall at all times cause all real and personal property, whether owned by such institution or upon which it holds a mortgage, and which may be subject to risk by fire, to be insured under the Maine Standard Fire Insurance Policy, in such an amount as the officers of any such banking institution may deem necessary to protect the ownership or interest of said institution therein, and any such banking institution may, at any time, demand and cause to be carried such other kind of insurance on any of its property, or upon any interest that it may have in the property of others, in such amount as said officers may deem necessary to protect the interest of said institution. The cost of any insurance upon property held under mortgage is to be paid by the mortgagor

and, if paid by the mortgagee, shall be added to the amount of the mortgage loan.'

**Sec. 2. R. S., c. 55, §§ 54, 164, repealed.** Sections 54 and 164 of chapter 55 of the revised statutes are hereby repealed.