

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 1600**

H. P. 2110

House of Representatives, April 30, 1949

Reported by Mr. Jennings from the Committee on Military Affairs and printed under Joint Rule No. 10.

HARVEY R. PEASE, Clerk

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FORTY-NINE

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**AN ACT Providing for the Issue of Paid-up Life Insurance Policies to  
Maine Veterans of World War II.**

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

**TITLE I**

**Life Insurance**

**Sec. 1. Veterans in World War II entitled to paid-up life insurance.** In order to promote the spirit of patriotism and loyalty, in testimony of the gratitude of the state of Maine, and in recognition of the splendid services of Maine men and women in World War II, every veteran, as hereinafter defined, shall be entitled to receive from the state of Maine a paid-up life insurance policy.

**Sec. 2. The word "veteran" defined.** The word "veteran" as used in this title shall mean any male or female officer, soldier, sailor, marine, nurse or any other person regularly enlisted or inducted, who has been a part of the military or naval forces of the United States in World War II at least 3 months between December 7, 1941 and August 14, 1945, inclusive, unless honorably discharged for physical disability incident to such service.

and who was a resident of the state of Maine at the time he or she was commissioned, enlisted, inducted, appointed or mustered into the military or naval service of the United States, and who has been or may be given an honorable discharge or release from such service.

**Sec. 3. Application for insurance, when and where filed; what application shall contain.** Applications for such life insurance policies shall be filed with the adjutant-general, on forms provided by him, within 6 months from the date this act goes into effect; or, in the case of an applicant whose final discharge from service is received after the date this act goes into effect, within 6 months after the date of such discharge. Such application shall state facts sufficient to establish the status of such applicant as veteran as defined herein, and shall be duly verified.

**Sec. 4. Insurance policies.** There shall be issued to each veteran a paid-up term insurance policy for a maximum term of 2 years from the date application is approved. Such veteran may during such 2-year period convert such policy to:

**I.** A standard ordinary paid-up life insurance policy of \$250, if such veteran is insurable, with an immediate cash surrender value of \$50. The cash surrender value shall increase \$10 per year until it matches the normal cash surrender value as determined by standard actuarial tables; or

**II.** A compensating certificate with an immediate cash surrender value of \$50 and an increase of \$10 per year until the cash surrender value equals \$100, at which time such certificate must be cashed.

**Sec. 5. "Veterans' Life Insurance Board" created; powers and duties.** There is hereby created a board to be known as "The Veterans' Life Insurance Board," to consist of the commissioner of finance, the treasurer of state, the insurance commissioner, the director of the division of veterans' affairs and the adjutant-general. It shall be the duty of the said board to examine into such applications and make any other examination necessary to establish facts, and approve or disapprove the same. Upon the cashing of any policy or certificate, the board shall prepare a voucher and transmit the same to the state controller; said state controller shall issue his warrant therefor, for the amount stated therein, and the treasurer of state shall pay the same upon the approval of the governor and council out of said Veterans' Life Insurance Fund.

The board shall be authorized and empowered to let contracts with pri-

vate insurance companies for the policies or certain parts thereof by bid, negotiation or as determined by the board.

**Sec. 6. Board authorized to employ assistance for administration.** The Veterans' Life Insurance Board is hereby empowered, subject to the provisions of the personnel law, to employ such assistance and, with the approval of the governor and council, to incur such other expense as may be necessary for the administration and the carrying out of the provisions of this act; and the funds necessary for such administration and carrying out of the provisions of this act shall be expended from said Veterans' Life Insurance Fund.

## TITLE II

### Bond Issue

**Sec. 1. Bond issue authorized to provide funds; bonds to mature within 20 years of issue.** For the purpose of carrying out the provisions of this act, the treasurer of state is hereby authorized, with the approval of the governor and council, to issue bonds or notes from time to time as they are needed, to an amount not exceeding in the aggregate \$14,500,000. Such bonds or notes shall be designated "Maine Military Service Loan, Act of 1949," shall mature not more than 20 years from the date thereof, and shall bear such rate of interest, and be in such form and on such terms and conditions, other than those herein specified, as the governor and council may determine. Such bonds or notes shall be issued in the name and behalf of the state and shall be deemed a pledge of the faith and credit of the state. The proceeds of the sale thereof shall be paid into the general fund and expended in the following manner: Such sum as may be necessary to the credit of a fund hereby created, which fund shall be known as "The Veterans' Life Insurance Fund," and from which the payments authorized by Title I shall be made.

**Sec. 2. How funds shall be provided for retirement of bonds.** The amount necessary to pay said bonds or notes as they mature, and the interest as it accrues, shall be raised by state taxes, levied and collected in the same manner as other state taxes are levied and collected. Beginning April 1, 1950 and for each and every succeeding year for 19 years, there shall be raised a sum sufficient for the redemption of such bonds or notes and such additional sum as may be required for the payment of interest on all such bonds or notes outstanding. The sums so levied and collected shall be placed in the said Veterans' Life Insurance Fund, and redemption of said bonds or notes and payment of the interest thereon shall be made from said fund.

All funds not otherwise encumbered which are derived from running horse racing, harness horse racing shall be used first for the redemption of such bonds or notes.

### TITLE III

#### Effective Date

**Conditional upon adoption of constitutional amendments; act to become effective upon same date as constitutional amendments.** This act shall take effect only upon the adoption in September, 1949, of the proposed amendments to Article IX of the constitution providing for the issuing of state bonds for the purpose of issuing paid-up life insurance policies to Maine members of the military and naval forces in World War II; and in case of such adoption, shall take effect on the day said constitutional amendments become effective.