

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 992**

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S. P. 428

In Senate, March 1, 1951.

Referred to Committee on Business Legislation. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary.

Presented by Senator Kavanagh of Androscoggin.

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**STATE OF MAINE**

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-ONE

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**AN ACT Concerning Coercion in the Placing of Insurance on Real Estate  
or Personal Property.**

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

**Sec. 1. R. S., c. 56, § 251, amended.** The last 2 sentences of section 251 of chapter 56 of the revised statutes are hereby repealed.

**Sec. 2. R. S., c. 56, § 251-A, additional.** Chapter 56 of the revised statutes is hereby amended by adding thereto a new section to be numbered 251-A, to read as follows:

‘Sec. 251-A. Coercion in the placing of insurance on real estate or personal property; penalty. No trustee, director, officer, agent or other employee of any person, firm, corporation, bank, loan and building association or other financial institution engaged in the business of making loans of money to the public or financing the purchase of real or personal property, or the lending of money on the security of real or personal property shall directly or indirectly require that the person, firm or corporation, for whom such purchase is to be financed or to whom the money is to be loaned, or for whom such extension, renewal or other act is to be granted or performed, negotiate any policy of insurance or renewal thereof covering such property through a particular insurance company, or insurance agent or

broker, as a condition precedent to financing the purchase of such property or to loaning money upon the security of a mortgage thereon, or as a condition prerequisite for the renewal or extension of any such loan or mortgage, or for the performance of any act in connection therewith. Any person violating the provisions of this section shall be liable to punishment by fine of not more than \$100, or by imprisonment of not more than 60 days, or by both such fine and imprisonment and if he holds a license from the commissioner he shall forfeit the same. Any justice of the supreme judicial or superior court, in term time or vacation, on complaint by any person that the provisions of this section are being violated, may issue an injunction against such violation, and may hold in contempt and punish therefor in case of disregard of said injunction.'