

MAINE STATE LEGISLATURE

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

Legislative Document

No. 1062

H. P. 1401

House of Representatives, March 1, 1951.

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

HARVEY R. PEASE, Clerk

Presented by Mr. Davis of Harrison.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-ONE

AN ACT Relating to Domestic Mutual Insurance Companies.

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

Sec. 1. R. S., c. 56, § 26, amended. The 3rd sentence of section 26 of chapter 56 of the revised statutes is hereby amended to read as follows:

'Mutual companies may be incorporated to transact fire, marine and glass insurance and may operate in accordance with the provisions of section 77 and other provisions of the laws of this state relating to such companies, provided ~~their~~ the net retention of liability by any company on ~~every~~ any 1 risk shall not exceed ~~\$200~~ \$100 until ~~their~~ its gross assets exceed \$2,000, after which ~~their~~ its net retention of liability on every risk shall not exceed ~~10%~~ 5% of ~~their~~ its gross assets, including the amount at any time due on its premium notes; mutual companies which do not so limit their business, may incorporate for any of the foregoing purposes but before doing any business they shall establish a guaranty fund or capital of not less than \$10,000 which may be divided into shares of not less than \$100 and certificates therefor.'

Sec. 2. R. S., c. 56, § 77, amended. The 4th sentence of section 77 of chapter 56 of the revised statutes is hereby amended to read as follows:

'No domestic mutual insurance company shall insure in 1 risk an amount exceeding 25% of its gross assets, including the amount at any time due on its premium notes; **provided, nevertheless, that in each case the net retention of liability shall be determined by section 26.**'