

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SIXTY-SECOND LEGISLATURE

OF THE

STATE OF MAINE.

1885.

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PUBLIC LAWS
OF THE
STATE OF MAINE.

1885.

Chapter 284.

An Act to regulate the admission of Foreign Surety Companies to do business in this State.

Foreign Surety companies may do business in this state upon compliance with this act.

SECT. 1. Any company, incorporated and legally organized under the laws of any foreign country, or of any state of the United States, other than the state of Maine, for the purpose of transacting business as surety on obligations of persons or corporations, may transact such business in this state upon complying with the provisions of this act, and not otherwise.

Shall first appoint Ins. Com. Attorney, upon whom process may be served.

SECT. 2. No surety company not incorporated under the authority of this state shall, directly or indirectly, take risks or transact business in this state until it shall have first appointed, in writing, the insurance commissioner of Maine to be the true and lawful attorney of such company in and for this state, upon whom all lawful process, in any action or proceeding against the company, may be served with the same effect as if the company existed in this state. Said power of attorney shall stipulate and agree on the part of the company that any lawful process against the company which is served on said attorney shall be of the same legal force and validity as if served on the company, and that the authority shall continue in force so long as any liability remains outstanding against the company in this state. A certificate of such appointment, duly certified and authenticated, shall be filed in the office of the said insurance commissioner, and copies certified by him shall be received in evidence in all the courts of this state. Service upon such attorney, or upon any duly appointed agent of the company within this state, shall be deemed sufficient service upon the company.

— process on, valid, as if served on company.

Certificate of appointment to be filed with Commissioner.

SECT. 3. Whenever lawful process against a surety company shall be served upon said insurance commissioner, he shall forthwith forward a copy of the process served on him, by mail, postpaid, and directed to the secretary of the company. For each copy of process, the insurance commissioner shall collect the sum of two dollars, which shall be paid by the plaintiff at the time of such service, the same to be recovered by him as part of the taxable costs, if he prevails in the suit.

Copy of all processes to be forwarded to Secretary of Co.

Fees of Commissioner.

SECT. 4. No person shall act within this state, as agent or otherwise, in procuring or securing applications for suretyship upon the bond of any person or corporation, or aid in transacting the business of such suretyship for any company incorporated or organized under the laws of any other state or country, unless such company is possessed of two hundred and fifty thousand dollars capital, and unless at least one hundred thousand dollars of said capital is invested in stocks or securities created by the laws of the United States, or in other safe stocks or securities, the value of which, at the time of such deposit, shall be at or above par, and deposited with the insurance commissioner, auditor, comptroller, or chief financial officer of the state under whose laws such company is incorporated; and in case of a company incorporated under the laws of a foreign country, such deposit shall be made with any of the officers above designated in the state of New York, or in any of the New England states; and unless the insurance commissioner is furnished with the certificate of such insurance commissioner, auditor, comptroller, or chief financial officer aforesaid, under his hand and official seal, that he, as such insurance commissioner, auditor, comptroller, or chief financial officer of such state, holds in trust for the benefit of all obligees of such company, the deposit before mentioned; which certificates shall embrace the items of security so held, and shall state that he is satisfied that such securities are worth one hundred thousand dollars.

Capital.

—how invested and where deposited.

Commissioner must be furnished with certificate of deposit.

SECT. 5. Every person who shall so far represent any surety company established in any other state or country, as to receive or transmit applications for suretyship, or to receive for delivery, bonds founded on applications forwarded from this state, or otherwise to procure suretyship to be effected by such company upon the bonds of persons or corporations in this state, or upon bonds given to persons or corporations in this state, shall be deemed as acting as agent for said company, and shall be subject to the restrictions and liable to the penalties herein made applicable to agents of such companies.

Who shall be deemed agents.

—liabilities of.

SECT. 6. Every such company, before transacting any business as aforesaid, shall deposit with the insurance commissioner a copy of its charter, and also a statement, signed

Copy of charter and statement of capital to be deposited with commissioner.

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and sworn to by the president and secretary of the company, stating the amount of its capital and the manner of its investments, designating the amount invested in mortgage, in public securities, in the stock of incorporated companies, stating what companies, and also the amount invested in other securities, particularizing each item of investment, the amount of existing bonds upon which such company is surety, stating what portion thereof is secured by the deposit with such company of collateral security, the amount of premium thereon, and the amount of liabilities, specifying therein the amount of outstanding claims adjusted or unadjusted, due or not due; and thereupon said commissioner may grant a license, authorizing said company to transact surety business in this state subject to its laws, until the first day of July next following, and such license may be renewed annually thereafter.

Licenses, how granted.

Annual statement to be deposited with commissioner.

SECT. 7. Every such company shall, in the month of January, annually, also deposit with the said insurance commissioner a similar statement of its capital, assets and liabilities, and the investments and risks as aforesaid, to be made up to the thirty-first day of December next preceding, signed and sworn to as above directed, and the insurance commissioner, in his annual report, shall publish an abstract thereof.

No person shall act as agent unless capital of Co. amounts to \$250,000.

SECT. 8. No person shall act as agent as aforesaid for any such surety company in this state, unless the capital stock of the company which he represents amounts to the sum of two hundred and fifty thousand dollars actually paid in, in money and invested, exclusive of any obligations of the stockholders of any description.

—nor until all requirements of law have been complied with.

SECT. 9. No person shall act as agent of any such surety company until such company and such agent shall have complied with all the requirements of the laws of this state, relating to such companies and their agents, and every person acting without such compliance shall be fined one hundred dollars.

—penalty.

If annual returns are obscure or defective, com'r may require answers under oath.

SECT. 10. The insurance commissioner shall annually examine the statements and returns required to be made by the companies as aforesaid, and if in his opinion any return shall be obscure, defective or unsatisfactory, he shall immediately require answers under oath from the officer or officers by

whom such obscure, defective or unsatisfactory return shall have been made, to such interrogatories as he may deem necessary or proper in order to explain such return and exhibit a full and accurate view of the business and resources of the company.

SECT. 11. Every company, the officers of which shall refuse or neglect to answer such interrogatories for the space of thirty days, may be suspended from transacting business in this state until satisfactory answers are made by them.

—penalty for refusing to answer.

SECT. 12. The insurance commissioner, either personally, or by a committee appointed by him, consisting of one or more persons not directors, officers or agents of any surety company doing business in this state, may at any time examine into the affairs of such surety companies. The officers or agents of such companies shall exhibit their books to said commissioner or committee, and otherwise facilitate such examination, and the commissioner or committee may examine, under oath, the officers and agents of such companies in relation to their affairs; and said commissioner shall, if he deems it necessary or proper, publish the result of such investigation in one or more newspapers published in the state. Whenever it shall appear to the said commissioner, from the statement or from an examination of the affairs of any surety company, not incorporated under the authority of this state, that such company is insolvent, or is conducting its business fraudulently, or refuses or neglects to comply with the laws of the state, relating to surety companies, it shall be the duty of said commissioner to revoke the license issued to such company and its agents, and he shall cause a notice thereof to be published in one or more newspapers published in this state, and the agent or agents of such company, after such notice, shall transact no further business in this state. All the expenses of an examination made under the provisions of this section shall be paid to the commissioner by the company examined.

Affairs may be examined into, any time.

Commissioner may publish result.

—may revoke licenses.

—expenses of examination, how paid.

SECT. 13. The insurance commissioner shall report to the attorney general the violation of any provision of this act, which shall come to his knowledge, and the attorney general shall institute proper legal proceedings in the name of the state, against any person or company violating any such provision.

—report violations to attorney general, who shall institute proceedings.

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License fees,
how paid.

Taxes, rate of.

—how assessed
and paid.

SECT. 14. Every surety company, not incorporated in this state, applying for admission to transact business therein, shall pay to the insurance commissioner, for the use of the state, upon filing a copy of its charter or deed of settlement and statement preliminary to admission, a license fee of twenty dollars and a like sum annually for each renewal of said license, and for filing each annual statement after admission, the sum of twenty dollars, and for each agent's certificate, annually, the sum of one dollar. Said companies shall also pay on or before the first day of May, annually, a tax of two per cent upon all premiums received in excess over losses actually paid during the year, on contracts made in the state and over rebates on premiums allowed to persons guaranteed. Said tax to be assessed and paid in accordance with the provisions of section sixty-one of chapter six of the revised statutes.

Approved February 27, 1885.

Chapter 285.

An Act to amend section forty-seven of chapter seventy-seven of the Revised Statutes, in relation to the time of holding the September term of the Supreme Judicial Court, Somerset County.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

Sec. 47, ch. 77,
R. S., amended.

Somerset.

Matters return-
able on third
Tuesday of Sept.
to have day,
first Tuesday.Inconsistent acts
repealed.

SECT. 1. Section forty-seven of chapter seventy-seven of the revised statutes, is hereby amended, commencing at the fourth line from the bottom, on page six hundred and thirty-six, so that that part of said section, relating to the time of holding the terms of the supreme judicial court in and for the county of Somerset, shall read as follows, to wit : 'Somerset, at Skowhegan, on the first Tuesday of September and the third Tuesdays of March and December.'

SECT. 2. All matters pending in, or returnable to said court and which would, but for the provisions of this act, have day at the term of said court, to be held on the third Tuesday of September of the present year, as provided by law, shall be returnable to, and have day at the term of said court to be held on the first Tuesday of September next.

SECT. 3. All acts and parts of acts inconsistent with this act are hereby repealed, and this act shall take effect when approved.

Approved February 27, 1885.