

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SIXTY-THIRD LEGISLATURE

OF THE

STATE OF MAINE.

1887.

Published by the Secretary of State, agreeably to Resolves of June 28, 1820,
February 18, 1840, and March 16, 1842.

AUGUSTA:
SPRAGUE & SON, PRINTERS TO THE STATE.
1887.

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PUBLIC LAWS
OF THE
STATE OF MAINE.

1889.

Chapter 236.

An Act to amend Sections sixteen and thirty-two, of Chapter seventy of the Revised Statutes, in relation to Insolvent Debtors.

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

SECT. 1. Clause three of section sixteen of chapter seventy of the Revised Statutes is hereby amended by striking out the word "thirty" in the fourth line, and inserting instead thereof the word 'fifty,' so that said clause as amended, shall read as follows :

Clause 3, Sec. 16, Ch. 70, R. S. amended.

'III. That a meeting of the creditors of the debtor, to prove their debts and choose one or more assignees of his estate, will be held at a court of insolvency at a time and place designated in the warrant, not less than ten nor more than fifty days after the issuing of the same.'

What notice shall contain.

SECT. 2. Section thirty-two of chapter seventy of the Revised Statutes is hereby amended by adding thereto the following. 'The provisions of chapter seventy-two apply to such bonds, so far as applicable,' so that said section as amended, shall read as follows :

Sec. 32, amended.

'SECT. 32. The judge shall require the assignee to give bond for the faithful performance of his duties, in such sum as he directs, and with such sureties as he approves. The provisions of chapter seventy-two apply to such bonds, so far as applicable.'

Assignee may be required to give bond.

Ch. 27, applicable.

Approved March 1, 1889.

Chapter 237.

An Act relating to Life and Casualty Insurance on the Assessment Plan.

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

SECT. 1. Every contract whereby a benefit is to accrue to the party or parties named therein upon the death or physical disability of a person, which benefit is in any degree or manner conditioned upon the collection of an assessment upon persons holding similar contracts, shall be deemed a contract of insurance on the assessment plan, and the business involv-

Every contract to pay a benefit upon the death or disability of a person, shall be deemed a contract of insurance.

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—business shall be carried on only by duly organized corporations.

Organizations to which act is not applicable.

—foreign corporations may be licensed by insurance commissioner to do business under this act.

—Contract may be life or casualty insurance.

How seven or more persons may form a corporation to carry on life or casualty insurance on assessment plan.

ing the issuance of such contracts shall be carried on in this state only by duly organized corporations, which shall be subject to the provisions and requirements of this act, but nothing herein contained shall be construed as applicable to organizations which conduct their business as fraternal societies, on the lodge system, or to organizations which do not employ paid agents in soliciting business, other than in the preliminary organizations of local branches, or limit their certificate holders to a particular order or fraternity, or to the employes of a particular town or city, designated firm, business house or corporation; or to organizations which are unincorporated and limit the amount of every certificate issued to a maximum amount not exceeding five hundred dollars on any one risk, but any corporation organized under the laws of another state, which limits its certificate holders to the members of a particular order, class or fraternity, after complying with all the provisions of this act may be licensed by the insurance commissioner to do business under this act, upon proof satisfactory to him that it has the sanction of the governing body of such order, class or fraternity in the state in which it is incorporated and has its home office, to use the name of such order. If the benefit is to accrue through the death of an insured person, the contract shall be of life insurance; if through the accidental death only, or the physical disability from accident or sickness of the insured, it shall be of casualty insurance.

SECT. 2. Seven or more persons, citizens of this state, may form a corporation to carry on the business of life or casualty insurance, or both, on the assessment plan. Such corporations shall be organized, and the proceedings thereunder shall conform to sections one, two and three of chapter fifty-five of the Revised Statutes; but no such corporation shall begin to do business until at least three hundred persons have subscribed, in writing, to be insured therein, and have each paid in one full mortuary assessment, to be held in trust for the benefit of the beneficiaries nor until said corporation has filed with the insurance commissioner a certified copy of the record of its organization and by-laws, which has been approved by him; nor until the insurance commissioner has certified that it has complied with the provisions of this act, and is authorized to transact business. No organ-

ization under the provisions of this act shall continue valid more than one year unless the organization has been completed and business begun thereunder.

SECT. 3. Any corporation existing under the laws of this state and now engaged in transacting the business of life or casualty insurance on the assessment plan, may re-incorporate under the provisions of this act in the manner provided by chapter fifty-five of the Revised Statutes; provided, that nothing in this act contained shall be construed as requiring or making it obligatory upon any such corporation to re-incorporate, and any such corporation may continue to exercise all rights, powers and privileges conferred by its charter and by this act; not intending that this act shall in any way abrogate, abridge or supersede any rights now vested in any company now or hereafter organized under any charter heretofore granted, but that its provisions shall only be considered as additional thereto.

SECT. 4. When the insurance commissioner, on investigation, is satisfied that any corporation doing business in this state under this act, has exceeded its powers, failed to comply with any provision of law, or is conducting business fraudulently, he shall report the facts to the attorney general, who shall thereupon apply to a justice of the supreme judicial court for an injunction restraining such corporation from the further prosecution of business; and the said justice upon hearing the matter, may issue such injunction, or decree the removal of any officer, and substitute a suitable person to serve in his stead until a successor is duly chosen, and may make such other order and decrees as the interest of the corporation and the public may require.

SECT. 5. No corporation organized under the laws of this state shall transfer its risks to or re-insure them in any other corporation, unless the said contract of transfer or re-insurance is first submitted to and approved by a two-thirds vote of those present and voting at a meeting of the insured called to consider the same, of which meeting a written or printed notice shall be mailed to each policy or certificate holder at least ten days before the day fixed for said meeting; and, in case said transfer or re-insurance shall be approved, every policy or certificate holder of the said corporation who shall file with the secretary thereof, within five days after the said meeting, written notice of his preference to be transferred to

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Organization not valid more than one year, unless business is begun.

Existing corporations may re-incorporate under this act.

—act shall not abridge any vested rights of such corporations.

When Ins. Com. is satisfied that any corporation is conducting business fraudulently, etc., he shall report to Atty. Gen.

—proceedings.

How risks may be transferred to, or reinsured in, another corporation.

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some other corporation than that named in the contract, shall be accorded all the rights and privileges, if any, in aid of such transfer as would have been accorded under the terms of the said contract had he been transferred to the corporation named therein.

Reserve fund shall be deposited with State Treasurer.

—how created.

SECT. 6. Any corporation organized under this act shall keep on deposit with the treasurer of the state of Maine a reserve fund for the benefit and protection of certificate holders in said corporation; for the creation of which it shall on or before the thirty-first day of December of each year, deposit with said treasurer in the case of life companies not less than fifteen per cent, and in case of casualty companies, not less than ten per cent of total receipts on assessments made to pay death benefits or indemnity claims, during the year then ended until the reserve fund so accumulated shall amount, together with the amount there deposited prior to the passage of this act, in the case of life companies to not less than fifty thousand dollars; and in the case of casualty companies to not less than twenty-five thousand dollars. These amounts may be deposited in such interest-bearing securities

—investment of.

as the governor and council may approve, or in such securities as any insurance company or savings banks may, from time to time, be by law authorized to invest their funds in. These securities shall be held in trust by the treasurer of state, but the corporation shall have at all times the right to exchange any part of said securities for others of like amount and character. When deemed advisable by a majority of the directors, such a part of the fund as may be considered necessary, may be applied from time to time, to the payment of death losses, in order to reduce the number of assessments upon the members of the association, and the expenses necessarily incident thereto, or in the same manner to the payment of accident claims, and for no other purpose. Provided, however, that said fund shall not at any time be reduced below an amount equal to one assessment upon all of its members. The insurance commissioner shall annually in

—part of fund may be applied to payment of losses.

—proviso.

Ins. commis- sioners annually, to fix amount of fund to be kept on deposit.

February certify to the treasurer of state, the minimum amount of reserve fund required to be kept on deposit in the state treasury by each corporation doing business, under this act. If said corporation shall neglect for sixty days to satisfy any judgments against it, in any court in this state, then the said treasurer shall convert into money any of said securities,

—how judgment against corporations may be satisfied.

and forthwith satisfy such judgment, and said corporation shall not transact any further business until said deposit is restored. When any such corporation shall discontinue business, any justice of the supreme judicial court may appoint a receiver or agent to administer any unexhausted portion of such fund, which shall be used, less compensation not to exceed five per cent, as such court or justice may allow the receiver or agent, first, in the payment of accrued mortuary or indemnity claims upon certificates or policies, or if insufficient to pay such claims in full, they shall be paid, pro rata; second, if a balance remains after the payment of such claims, such balance to be distributed to the holders of certificates then in force, pro rata, in accordance with the maximum amount named therein after first paying all expenses incident to such distribution.

Receiver may be appointed when business is discontinued, to administer fund.

SECT. 7. Any corporation organized under authority of another state or government to issue policies or certificates of life or casualty insurance on the assessment plan, as a condition precedent to the transaction of business in this state, shall deposit with the insurance commissioner a certified copy of its charter; a statement under oath, of its president and secretary, in the form by the insurance commissioner required, of its business for the preceding year; a certificate, under oath, of its president and secretary, that it is paying and for the twelve months preceding has paid, the maximum amount named in its policies or certificates in full; a certificate from the proper authority in its home state that corporations of this state, engaged according to the provisions of this act in life or casualty insurance on the assessment plan, are legally entitled to do business in such state; a copy of its policy or certificate and application, which must show that benefits are provided for by assessment upon policy or certificate holders; evidence satisfactory to the insurance commissioner that the corporation accumulates a fund, equal at all times in amount to not less than the proceeds of one assessment on all policy or certificate holders thereof, that such accumulation is permitted by the law of its incorporation, and is a trust for the benefit of policy or certificate holders, and is securely invested. Every such corporation, and agent of such corporation, shall also comply with the provisions of sections seventy-three, seventy-four, seventy-five of chapter forty-nine of the Revised Statutes. The insurance commissioner

Foreign corporations shall deposit certified copy of charter, etc., with Ins. commissioner.

—shall comply with sections 73, 74, 75, ch. 49, R. S.

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Commissioner
may issue
authority to
corporation to
do business.]

—penalty for
doing business
after authority
has been re-
voked.

may thereupon issue or renew the authority of such corporation to do business in this state, and such authority shall be revoked whenever the insurance commissioner, on investigation, is satisfied that such corporation is not paying the maximum amount named in its policies or certificates in full. And it shall be the duty of the insurance commissioner to enforce the provisions of section seventy-five of chapter forty-nine of the Revised Statutes. Upon such revocation the commissioner shall cause notice thereof to be published in the newspaper in which the general laws are published, and no new business shall be thereafter done by said corporation or its agents in this state. Any person having a claim against any foreign insurance company, may bring an appropriate suit therefor in the courts of this state. The insurance commissioner of this state shall be the authorized and local attorney of every foreign insurance company doing business under this act, and service made on the said commissioner shall be valid and binding thereon, and hold it to answer to any action brought against it in any court of this state.

SECT. 8. No corporation doing business as a life insurance company under this act shall issue a certificate or policy upon the life of any person more than sixty years of age, and every call for payments by the policy or certificate holders shall distinctly state the purpose of the same, whether for mortuary or indemnity claims or for expenses.

SECT. 9. The money or other benefit, charity, relief or aid to be paid, provided or rendered by any corporation authorized to do business under this act, shall not be liable to attachment by trustee or other process, and shall not be seized, taken, appropriated or applied by any legal or equitable process, nor by operation of law, to pay any debt or liability of a policy or certificate holder, or any beneficiary named therein. The beneficiary named in any certificate may be changed by the insured at any time under such regulations as the corporation may prescribe.

SECT. 10. Any solicitor, agent or examining physician who shall knowingly or wilfully make any false or fraudulent statement or representation in or with reference to any application for insurance, or for the purpose of obtaining any money or benefit, in any corporation transacting business under this act, shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than one

hundred or more than five hundred dollars, or imprisonment in the county jail for not less than thirty days or more than one year, or both, at the discretion of the court.

SECT. 11. Every corporation doing business under this act or its charter, shall annually, on or before the thirty-first day of January, return to the insurance commissioner, in such manner and form as he shall prescribe, a statement of its affairs for the year ending on the preceding thirty-first day of December, and the said commissioner, in person or by deputy, shall have the powers of visitation of and examination into the affairs of any such corporation which are conferred upon him in the case of life insurance companies, by chapter forty-nine of the Revised Statutes; provided, always, that nothing herein contained shall subject any corporation doing business under this act to any other provisions or requirements of said chapter forty-nine, except as distinctly set forth herein.

Corporations shall report annually, conditions of affairs.

Commissioner may examine into affairs of any corporations.

SECT. 12. The fees for filing statements, certificates or other documents required by this act, or for any service or act of the insurance commissioner, and the penalties for any violation of this act shall be the same as provided in the case of life insurance companies, by chapter forty-nine of the Revised Statutes. When any other state or country shall impose any obligation upon any such corporation of this state, the like obligation shall be imposed on similar corporations and their agents of such state or country doing business in this state.

Fees for filing statement, etc., shall be as provided by ch. 49, R. S.

Obligations imposed by other States shall be reciprocal.

Approved March 1, 1889.

Chapter 238.

An Act to amend Sections twenty-nine and forty-one of Chapter forty of the Revised Statutes, relating to Inland Fisheries.

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

SECT. 1. Section twenty-nine of chapter forty of the revised statutes is hereby amended by striking out the word "salmon" at the end of the third line; also by striking out all between "waters" in the fifth line and the "comma" in the eighth line and inserting in place thereof the following words, "or in the Schoodic lakes and their tributaries, or to

Sec. 29, ch. 40, R. S. amended.