

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SIXTY-SIXTH LEGISLATURE

OF THE

STATE OF MAINE.

1893.

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

AUGUSTA :
BURLEIGH & FLYNT, PRINTERS TO THE STATE.
1893.

PUBLIC LAWS
OF THE
STATE OF MAINE.

1893.

CHAP. 214

one of this act, nor shall any contract specified under section one of this act be construed a mortgage or an instrument under section seven, chapter ninety-one of the revised statutes requiring foreclosure and entitling the holder of property thereunder to an equity of redemption, but any personal property held under any contract specified under section one of this act shall be subject to trustee process as provided in section fifty of chapter eighty-six of the revised statutes

—contracts shall not be construed a mortgage under sec. 7, ch. 91, R. S.

SECT. 4. This act shall not be held to invalidate or affect in any way any contract heretofore made of the kind referred to in the first section hereof, and any such contract heretofore made may, upon compliance with the provisions of this act, be recorded as herein provided.

Act shall not invalidate existing contracts.

—how existing contracts may be recorded.

Approved March 16, 1893

Chapter 214.

An Act to amend Chapter two hundred thirty-seven of the Public Laws of eighteen hundred eighty-nine, 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. Section six of chapter two hundred thirty-seven of the public laws of eighteen hundred eighty-nine, is amended so that said section shall read as follows:

Sec. 6, ch. 237, Pub. Laws, 1889 amended.

SECT. 6. Any corporation organized under this act, or any Maine corporation doing assessment insurance business under this act or its charter, shall keep on deposit with the treasurer of the state of Maine a reserved 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

Reserve fund shall be deposited with state treasurer.

—how created.

—Investment of.

CHAP. 214

interest bearing securities 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 claims under insurance contracts and the expense necessarily incident thereto, 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 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, 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. If, upon the thirty-first day of December of any year, the reserve fund of any such corporation is found to be less than the amount of one assessment upon all the members thereof, said corporation shall, within one year thereafter, collect from its members a sum sufficient to bring said reserve fund up to one assessment upon all its members, and deposit the amount with the treasurer of state to the credit of said fund.'

--part of fund may be applied to payment of claims.

--proviso.

--insurance commissioner shall annually certify amount of fund to be kept on deposit.

--how judgment against corporation may be satisfied.

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

--how fund shall be used.

--how fund may be brought up when less than one assessment on all the members.

SECT. 2. Section eight of said chapter shall be amended, so as to read as follows :

‘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, and the proceeds of mortuary or indemnity calls, less a commission actually paid for collecting the same not exceeding three per cent thereof, shall be used for payment of claims under policy contracts, for investigating and contesting policy claims believed to be fraudulent, and for deposit with the treasurer of state on reserve fund and for no other purpose.’

SECT. 3. Nothing in this act shall in any way conflict with special provisions of the charters of companies heretofore granted.

Approved March 16, 1893.

CHAP. 215

Sec. 8,
amended.

Shall not issue
policy to any
person more
than sixty
years of age.

Act shall not
conflict with
charters hereto-
fore granted.

Chapter 215.

An Act to amend Chapter two hundred and thirty-seven of the Public Laws of eighteen hundred eighty-nine, 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. That section two of chapter two hundred thirty-seven of the public laws of eighteen hundred eighty-nine, entitled ‘An Act relating to Life and Casualty Insurance on the assessment plan,’ be amended, so as to read as follows :

‘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 five hundred persons have subscribed, in writing, to be insured therein, and have each paid in one full mortuary or disability assessment, which shall be deposited in the state treasury on emergency or reserve fund account, to be held in trust for the benefit of the

Sec. 2, ch. 237,
Pub. Laws, 1889,
amended.

How seven or
more persons
may form a cor-
poration to
carry on life or
casualty insur-
ance on assess-
ment plan.