

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SIXTY-SEVENTH LEGISLATURE

OF THE

STATE OF MAINE

1895.

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

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1895.

PRIVATE AND SPECIAL LAWS
OF THE
STATE OF MAINE.

1895.

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Assets of Co. liable for judgment against either company.

pany shall be subject to and liable for any such judgments, and be subject to and be liable to be levied on and held in satisfaction of such judgments to the same extent as under the original liabilities of said York Mutual Aid Association, Kennebec Mutual Life Insurance Company and Orient Mutual Life Insurance Company.

Co. shall file with secretary of state, copies of contracts of consolidation.

SECT. 3. Said Maine Mutual Life Insurance Company shall file with the secretary of state within ten days after the approval of this act certified copies of the contracts of consolidation of said York Mutual Aid Association, Kennebec Mutual Life Insurance Company and Orient Mutual Life Insurance Company, and so much of the records of said companies as relates to their consolidation.

SECT. 4. This act shall take effect when approved.

Approved February 28, 1895.

Chapter 105.

An Act to incorporate the Anglo-American Guarantee Company.

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

Corporators.

SECT. 1. Samuel G. Ginner, Henry A. Houghton, Samuel Edwin Tobey, Thomas M. Sweetland, Jacob W. Berton, Melvin Gardner, G. Anson Brown, Conrad A. Clarke, Albert A. Sammis, Lorenzo Travor, J. Fred Parker, James H. Briggs, their associates, successors and assigns are hereby constituted a body politic and corporate by the name of the Anglo-American Guarantee Company, for the purposes hereinafter set forth; to have its location in the city of Portland; and the said corporation may sue and be sued, defend and be defended, have all by-laws and regulations which may be necessary to carry out the purposes of this act, and shall be vested with all the powers and privileges, and be subject to all the liabilities by law incident to corporations of a similar nature.

Corporate name.

—location and by-laws.

Authorized to act as surety, upon official and other bonds.

SECT. 2. The said company is hereby authorized and empowered to act as surety upon the official bond or liability of any person or corporation to the United States; to any county, city or town; to any judge of probate, or other court or magistrate; to any corporation or association, public or

private; and upon a bond or liability to any person or persons conditioned upon the performance of any trust; also upon bonds to indemnify against loss any person or persons who are responsible as surety or sureties, upon a written instrument or otherwise, for the faithful performance by others, of any trust, office or duty; and in any case where, by law or otherwise, two sureties are required upon any obligation which this company is hereby authorized to assure, this company may act as sole surety, if so accepted and approved by the court or magistrate named as the obligee in the bond; also to guarantee the payment of stock and certificates of accumulative indebtedness of corporations, excepting those doing a purely mutual association business under the laws of this state, under the assessment plan, each corporation, whose accumulative indebtedness is so guaranteed, to become mutual guarantors; and for the transaction and adjustment of such other business incident thereto and connected therewith, in such way and manner as may be provided for in the by-laws of said corporation; and said corporation may charge and receive such lawful commissions as is customary in the business, and in cases where there is no established custom or law such commission or fee as may be agreed upon.

—may guarantee payment of stocks.

—commissions of.

SECT. 3. Said corporation may purchase, take and hold by deed, gift, bequest, devise or otherwise, real and personal estate in this state or elsewhere for the purposes of said corporation; and it shall be the duty of the board of directors to invest the capital of said corporation, and to keep the same invested in good securities, and it shall be lawful to make such investments of its capital, and of the funds accumulated by its business, or any part thereof, in bonds and mortgages upon unincumbered real estate, worth at least one-third more than the amount loaned thereon, and upon stocks or bonds or personal property, worth at the time of loaning at least one-fourth more than the amount loaned thereon. Investments may be made in the name of trustees, whenever the directors deem it necessary to do so, in order to preserve and protect the interests of the corporation, and to secure a perfect title to property held as investments or as security for investments.

May hold real and personal estate.

— investment of capital of.

—may be made in name of trustees.

SECT. 4. At time of organization the stockholders shall elect by ballot a board of nine directors, three for the term

Election of board of directors.

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—term.

—qualification
of.—vacancy,
how filled.

—adopt rules.

May elect
officers.—prescribe
term, duties,
and com-
pensation.

—quorum.

Capital stock.

Commission-
ers shall open
books for
subscriptions.

of one year, three for the term of two years, and three for the term of three years, and thereafter three directors shall be elected annually, which board shall have entire charge of the affairs of the corporation, and shall continue in office until their successors are elected. In case of a failure to elect directors at any meeting called for that purpose the same may be adjourned from time to time until such election shall be effected or completed. Qualification for director of the corporation shall be a subscription for not less than twenty shares of common stock at time of organization, and thereafter shall be the holder of twenty shares of common stock. Said directors shall have power to fill any vacancy in the board which may happen by death or otherwise, until the next annual election of directors, and may adopt such rules, not inconsistent with the laws of the state and the by-laws of the corporation, for discharging the various functions and conducting and transacting the business and affairs of the corporation, as they shall deem necessary. The directors shall elect one of their number president of the board, who shall also be president of the corporation; also a vice-president, clerk and assistant clerk, treasurer, manager and such other officers and agents as they may deem necessary for the prosecution of the business of the corporation, who may or may not be members of the board of directors; they shall prescribe the term of office, the duties and compensation of all officers and agents, and take such security from them as they may think proper for the faithful discharge of their respective duties; and the said directors shall at all times superintend the affairs and manage the funds, property and estate of said corporation, and five of them shall constitute a quorum.

SECT. 5. The capital stock of this corporation shall be five hundred thousand dollars, to be divided into preferred stock and common stock in shares of one hundred dollars each, the amount and provisions as to preferred stock to be determined at organization, or at a meeting of the stockholders called for that purpose; and the persons within named as corporators shall be commissioners, whose duty it shall be, within a reasonable time after the passage of this act, to open books for the purpose of receiving subscriptions for stock under such terms as said com-

missioners may agree upon, and to keep the same open until the whole of said stock is taken up; and the said corporation shall not commence business until the sum of two hundred and fifty thousand dollars shall have been subscribed and paid in, and no certificate of shares shall be issued until the par value of same is fully paid. The capital stock may be increased at any time, or from time to time, to not exceeding two million dollars, besides reserved fund or surplus, and the number of directors may be increased in manner provided in section twenty, chapter forty-eight, revised statutes. Said directors to be elected for different terms of time as is provided in section four of this act. Notice of any increase in the capital and number of directors to be duly given the secretary of state within ten days after said increase; and the board of directors for the time being may in their discretion open books of subscription under such management as they may fix upon for such original stock, and for such additional stock, as may be voted by said corporation, or cause the same to be taken and distributed in such way and manner as may be determined in the by-laws of the corporation.

—shall not commence business until \$250,000 has been paid in.

—capital stock, and directors, may be increased.

—notice of increase shall be filed with secretary of state.

SECT. 6. This corporation shall at all times keep on deposit with the treasurer of state a sum of money, in United States bonds or such securities in which savings banks are allowed to invest, subject, however, to the approval of the insurance commissioner or bank examiner, equal to one hundred thousand dollars, to be held by said treasurer of state on deposit and in trust for the benefit of all bond and certificate holders in said stock shall not be reduced more than twenty per cent thereof at any one time, nor to a sum less than two hundred and fifty thousand dollars.

—shall make special deposit with treasurer of state.

SECT. 7. After deducting from the earnings of the company, no part of the premiums received on risks not terminated being considered earnings, and from the income of its invested funds, such an amount as shall be required for the cost of management, and for such dividends not exceeding six per centum per annum on the capital stock as the directors may determine upon, the residue less the losses incurred during the year, if any, shall be annually set apart for the purpose of constituting a reserved fund or surplus for the payment of losses, until the said reserved fund or surplus shall equal fifteen per cent of the amount of the capital stock paid

Reserve fund provided for.

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in ; and in case the reserved fund or surplus shall ever be impaired, it shall be made up to the full amount in the manner originally provided ; and the said capital stock shall in no case be impaired or diminished until said reserved fund or surplus shall have been exhausted, provided, that whenever the said reserved fund or surplus shall equal fifteen per cent of the amount of the capital stock paid in, the earnings of the company, over and above the aforesaid dividends of six per centum per annum and the contributions required to keep the said reserved fund or surplus entire, may thereafter be divided among the stockholders ; and provided, also, that in closing up the affairs of the said company the amount then standing to the credit of the said reserved fund or surplus shall be divided among the stockholders, in proportion to their respective shares.

—capital shall not be impaired until surplus has been exhausted.

—in closing up affairs, remaining surplus shall be divided among stock holders.

Shall be subject to examination by ins. commissioner.

SECT. 8. Said corporation shall be subject to examination by the insurance commissioner, who shall make such an examination as he regards necessary for the safety of the public and the holders of its guarantee bonds and certificates. He may require the officers to produce for examination all books and papers of the company, and to answer on oath all questions propounded to them in relation to its condition or affairs.

Shall issue certificate of fact, if Co. has complied with act.

SECT. 9. The commissioner at his annual examination, if he finds that the company has complied with the provisions of this act, shall issue to it his certificate of that fact. For making such examination he shall receive from it twenty dollars, and all traveling expenses.

—fee.

Shall institute proceedings against Co., if its business becomes hazardous to the public.

SECT. 10. If this company fails to comply with any of the provisions of this act, or if on examination, the commissioner thinks that it is in such a condition as to render its further proceedings hazardous to the public or its certificate holders he shall cause proceedings to be instituted against the company as are provided in section sixty-seven of chapter forty-nine of the revised statutes so far as the same are applicable, and the funds in the hands of the treasurer of state shall be disposed of in accordance with the provisions of this act, and the provisions of sections fifty-seven to sixty-three of chapter forty-nine of the revised statutes.

Taxation of.

SECT. 11. Said corporation shall pay taxes at the same rate, under provisions of sections fifty-seven to sixty-three, chapter forty-nine of the revised statutes ; and if said

corporation shall neglect for thirty days to satisfy any judgment recovered against it in any court of this state, upon any certificate or guaranty issued by it, the said treasurer shall apply the money and investments so in his hands to the satisfaction of said judgment, and said corporation shall not transact any further business until said deposit is restored to its original amount. Whenever, after setting aside a sum equal to fifty per cent of the amount of premiums on outstanding risks, the net assets of the company do not amount to more than three-fourths of its capital stock, the company shall, by assessing the stock, restore its capital to the legal amount. Shares on which such assessment is not paid within sixty days after demand upon the owner thereof, shall be forfeited, and ordered by a vote of the directors to be sold at public auction, and seven days' notice of the sale shall be given in some daily or weekly paper published in a place where such company is located; and the proceeds of the sale, after deducting expenses and the assessments due on such shares, shall be paid to the owner or his representative; provided, that whenever the capital stock of the company is impaired, as aforesaid, it may, by a majority vote of the stock, at a meeting of the stockholders legally called, reduce its capital by canceling its shares, pro rata, to the number thereof, or it may reduce the par value of its shares, or the company may reduce its capital stock and also assess as herein before provided; but the capital rate, and in the same way and manner as is provided for life insurance companies, and shall be subject to the provisions of section fifty, chapter forty-nine of the revised statutes.

SECT. 12. Any one of the persons named in this act may call the first meeting of this corporation by personal notice, either written or printed, delivered or mailed, to each corporation at least seven days before the time of meeting.

—deposit shall be applied to satisfy any judgment.

—capital may be restored by assessments on stock.

—shares shall be forfeited for non-payment, and sold at auction.

—capital may be reduced.

First meeting, how called.