

# MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SEVENTY-SIXTH LEGISLATURE

OF THE

STATE OF MAINE

**1913**

Including Acts and Resolves of the Special Session held  
in 1912.

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Published by the Secretary of State, agreeably to Resolves of  
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PUBLIC LAWS

OF THE

STATE OF MAINE

As Passed by the Seventy-Sixth  
Legislature

*1913*

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said hearing, or such notice may be given by publishing the same three weeks successively in any newspaper published in said town, the first publication to be at least thirty days before said hearing; a return made upon a copy of such notice by any constable in said town or the production of the paper containing such notice, shall be conclusive evidence that said notice has been given, and upon such hearing the municipal officers shall have power to revise, increase or diminish any of such assessments, and all such revisions, increase or diminution shall be in writing and recorded by such clerk. The lien herein created shall take effect when the municipal officers file with the city clerk the completed assessment.'

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—notice to be thirty days before hearing.

—when lien shall take effect.

Approved March 12, 1913.

### Chapter 39.

An Act to Amend Sections Forty-one and Forty-two of Chapter Forty-nine of the Revised Statutes, Relative to the Organization of Insurance Companies.

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

Section I. Sections forty-one and forty-two of chapter forty-nine of the Revised Statutes are hereby amended to read as follows :

Sections 41 and 42 of chapter 49, R. S., amended.

'Section 41. Any ten or more persons, residents of the state, associated by such an agreement in writing as is hereinafter described, with the intention of constituting a corporation for the transaction of insurance business shall upon complying with section forty-nine, become and remain a corporation with all the powers, rights and privileges and be subject to all the duties, liabilities and restrictions set forth in all the general laws relating to insurance corporations. Corporations may be organized as herein provided, upon the stock or mutual principle for the following purposes :

Insurance companies, how established.

—rights and privileges.

—purposes when organized on stock or mutual principle.

—purposes.

1. To insure against loss or damage to property and loss of use and occupancy by fire; explosion, fire ensuing; explosion, no fire ensuing; except explosion of steam boilers and fly wheels; lightning or tempest and tornadoes on land; by water and breakage or leakage of sprinklers, pumps or other apparatus erected for extinguishing fires, and of water pipes, or against accidental injury to such sprinklers, pumps or other apparatus.

2. To insure vessels, freights, goods, money, effects, and money lent on bottomry or respondentia, against the perils of

—purposes.

CHAP. 39 the sea and other perils usually insured against by marine insurance companies, including risks of inland navigation and transportation; also to insure against loss or damage to motor vehicles, their fittings and contents, whether such vehicles are being operated or not and wherever the same may be, resulting from accident, collision or any of the perils usually insured against by marine insurance, including inland navigation and transportation.

—purposes. 3. To insure against loss or damage to property of the assured, or loss or damage to the life, person or property of another for which the assured is liable, caused by the explosion of steam boilers or their connections or by the breakage or rupture of machinery or fly wheels; and against loss of use and occupancy caused thereby.

—purposes. 4. To insure any person against bodily injury or death by accident, or any person, firm or corporation against loss or damage on account of the bodily injury or death by accident of any person, for which loss or damage said person, firm or corporation is responsible and to make insurance upon the health of individuals.

—purposes. 5. To insure against breakage or damage to plate glass, local or in transit.

—purposes. 6. To insure the owners of domestic animals against loss resulting from death or injury to the animals insured and to furnish veterinary's services.

—purposes. 7. To guarantee the fidelity of persons in positions of trust, private or public, and to act as surety on official bonds and for the performance of other obligations.

—purposes. 8. To insure against loss or damage by burglary, theft or house breaking.

—purposes. 9. To carry on the business commonly known as credit insurance or guaranty.

—purposes. 10. To examine titles of real estate and personal property, furnish information relative thereto and insure owners and others interested therein against loss by reason of incumbrances or defective titles.

—purposes. 11. To insure against loss or damage to automobiles except loss or damage by fire or while being transported in any conveyance, either by land or water; including loss by legal liability for damage to property resulting from the maintenance and use of automobiles.

—purposes. 12. To insure (any goods or premises) against loss or damage by water, caused by the breakage or leakage of sprinklers, pumps, water pipes or plumbing and its fixtures and against

accidental injury, from other cause than fire or lightning to such sprinklers, pumps, water pipes, plumbing and fixtures.

13. To insure against loss or damage to property arising from accidents to elevators, bicycles and vehicles, except rolling stock of railways (from other causes than fire or lightning.)'

Section 2. 'Section 42. Such agreement shall set forth the fact that the subscribers thereto associate themselves with the intention to constitute a corporation, the name by which it shall be known, the class or classes of insurance for the transaction of which it is to be constituted, the plan or principle upon which its business is to be conducted, the town or city in which it is established or located, and if a stock company, the amount of its capital stock, and if a mutual company with a guarantee capital, the amount thereof. The capital stock of a stock company organized for any of the purposes hereinbefore mentioned shall not be less than one hundred thousand dollars, and a mutual company incorporated to transact any class or kind of insurance other than fire, marine or plate glass shall have a guarantee capital as provided in section forty-three of chapter forty-nine, of the revised statutes and holders of certificates of such guarantee capital shall not receive dividends in excess of seven per cent in any one year, and in no case unless such dividends are properly earned after determining all liability as required by the insurance commissioner. Mutual companies may be incorporated to transact fire, marine and plate glass insurance and may operate in accordance with the provisions of section twenty-seven, chapter forty-nine of the revised statutes, and other provisions of the laws of this state relating to such companies, provided, that they shall confine their business to not more than ten towns; mutual companies may incorporate for any of the foregoing purposes which do not so limit their business and before doing any business they shall establish a guarantee fund or capital of not less than ten thousand dollars which may be divided into shares of not less than one hundred dollars and certificates issued therefor. A dividend not exceeding seven per cent in any one calendar year may be paid from the net earnings of the company after providing for all expenses, losses, reserves and liabilities then incurred. Such guaranty fund or capital shall be invested as provided in section eleven, chapter forty-nine of the revised statutes and shall be deposited with the state treasurer. When the cash and other available assets of the company are exhausted such part of said fund as may be required shall, with the approval of the insurance commissioner, be drawn and used to pay losses then

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—purposes.

Articles of agreement.

—amount of capital.

—mutual company shall have a guarantee capital.

—mutual companies may be incorporated to operate.

—shall confine their business to not more than ten towns.

—shall establish guarantee fund of not less than ten thousand dollars.

—dividend may be paid.

—when and how guarantee fund may be drawn.

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—stock-holders shall be assessed to restore guaranty fund.

—when guaranty capital shall be retired.

Insurance commissioner shall authorize writing of business when guaranty capital has been provided.

—liability of policy holder shall be stated.

due. When such fund is so drawn upon, the directors shall make good the amount so drawn by assessments upon the contingent funds or notes of the company and unless such fund is restored within six months from date of withdrawal the share holders shall be assessed in proportion to the amount of stock owned by them for the purpose of restoring said capital. Share holders and members of such companies shall be subject to the same provisions of law relative to their right to vote as apply respectively to share holders in stock companies and policy holders in purely mutual companies, said guaranty capital may be retired, when the surplus funds of the company over and above all liabilities including guaranty capital shall equal or exceed the amount of such guaranty capital, by vote of the policy holders or any part of said guaranty capital may be retired provided that the amount of net surplus and guaranty fund shall not be less than ten thousand dollars. Said guaranty capital shall be retired when the net cash assets of the company equals twice the amount of guarantee capital.

Any mutual fire, marine or plate glass insurance company which has established a guaranty capital as provided herein and has obtained applications for insurance as required by section forty-four of chapter forty-nine of the revised statutes, shall be authorized by the insurance commissioner to write business and such company may take a premium note as provided in section twenty-seven of chapter forty-nine of the revised statutes or in lieu of said note it may charge and collect a premium in cash and by its by-laws and policies fix the contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash funds; but such contingent liability of a member shall not be less than an amount equal to and in addition to the cash premium written in his policy and in no case less than one per cent of the maximum liability of the company under said policy. The total amount of the liability of the policy holder shall be plainly and legibly stated upon the filing-back of each policy. Whenever any reduction is made in the contingent liability of members such reduction shall apply proportionally to all policies in force.'

Approved March 12, 1913.