

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ACTS AND RESOLVES

OF THE

STATE OF MAINE

ENACTED BY THE

Seventy-Seventh Legislature

1915

Published by the Secretary of State.

AUGUSTA

KENNEBEC JOURNAL PRINT

1915

PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Seventy-Seventh Legislature

1915

[supplied from page 1 of volume]

CHAP. 34

Chapter 34.

An Act Relating to the Liquidation of Domestic Insurance Companies.

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

Method of
procedure
with
insolvent or
hazardous
insurance
companies.

Section 1. Whenever any domestic mutual fire insurance company or assessment casualty company is found after examination to be insolvent, or is found to be in such condition that its further transaction of business shall be hazardous to its policy holders, its creditors or to the public, or when it has wilfully violated its charter or any law of this State, or has refused to submit its books, papers, accounts and affairs for examination; the Insurance Commissioner may, the Attorney General representing him, apply to any justice of the Supreme court, in term time or vacation, for an order directing such corporation to show cause why the Insurance Commissioner should not take possession of its property and conduct its business, and for such other relief as the nature of the case and the interests of its policy holders, creditors or the public may require.

—show
cause.

Court may
issue
injunction.

Section 2. On such application, or at any time thereafter, such court may, in its discretion, issue an injunction restraining such corporation from the transaction of its business or disposition of its property, until the further order of the court. On the return of such order to show cause, and after a full hearing, the court shall either deny the application or direct such superintendent, or his successor in office, forthwith to take possession of the property and conduct the business of such corporation, and retain such possession and conduct such business until, on the application either of the Insurance Commissioner, the Attorney General representing him, or of such corporation; it shall, after a like hearing, appear to the court that the ground for such order directing the Insurance Commissioner to take possession has been removed, and that the corporation can properly resume possession of its property and the conduct of its business.

Decision of
court.

—rights of
Insurance
Commis-
sioner
to take
possession.

Section 3. If on such application, the courts shall direct the Insurance Commissioner to take possession of the property, conserve the assets of such corporation and conduct the business of the company; the rights of the said Insurance Commissioner with reference to such corporation and its said assets shall be the same as those exercised by receivers and masters in chancery appointed by the courts for liquidation of Insurance Companies.

Section 4. For the purposes of this section, the Insurance Commissioner shall have power to appoint, under his hand and

official seal, one or more special deputies as his agent or agents, and to employ such counsel, clerks and assistants as may be by him deemed necessary, and give each of such persons such powers to assist him as he may consider wise. The compensation of such special deputies, counsel, clerks and assistants, and all expenses of taking possession of and conducting the business of liquidating any such corporation, shall be fixed by the Insurance Commissioner, subject to the approval of the court, and shall, on certificate of the Insurance Commissioner, be paid out of the funds or assets of such corporation. The Insurance Commissioner shall have power, subject to the approval of the court, to make and prescribe such rules and regulations as to him shall seem proper.

CHAP. 35

—special deputies, counsel, clerks and assistants.
—compensation, how fixed.

—powers.

Section 5. At any time after the commencement of proceedings under an order of liquidation made pursuant to this act, the said Insurance Commissioner may remove the principal office of the corporation in liquidation to the city of Augusta. In event of such removal the courts shall, upon the application of the Insurance Commissioner, direct the clerk of the county wherein such proceeding was commenced to transmit all of the papers filed therein with such clerk, to the clerk of the county of Kennebec; and the proceeding shall thereafter be conducted in the same manner as though it had been commenced in the county of Kennebec.

Removal of office.

—transmission of filed papers.

Approved March 10, 1915.

Chapter 35.

An Act Relating to the Cancellation of Fire Insurance Policies without Tender of the Return Premium.

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

Section 1. An insurance company issuing fire insurance policies on property in this State, under the standard form required by section four of chapter forty-nine of the Revised Statutes, as amended by chapter one hundred fifty-eight of the Public Laws of nineteen hundred five, may cancel any such policy in the manner provided by law without tendering to the assured a ratable proportion of the premium, if the premium has not been paid to the company or its agent, or to a duly licensed insurance broker through whom the contract of insurance was negotiated.

Cancellation of policy.

No return premium.

Section 2. There shall be printed on the margin of the policy near the part thereof that relates to cancellation, in type not smaller than long primer, or attached to such policy by rider

Notification to policy holders attached to policy.