

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Ninety-fifth Legislature

OF THE

STATE OF MAINE

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PUBLIC LAWS

OF THE

STATE OF MAINE

As Passed by the Ninety-fifth Legislature

1951

Chapter 101

AN ACT to Authorize Savings Banks to Invest in the Stock of Insurance Companies.

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

R. S., c. 55, § 38, sub-§ XXVI, additional. Section 38 of chapter 55 of the revised statutes, as amended, is hereby further amended by adding thereto a new subsection, to be numbered XXVI, to read as follows:

'XXVI. Insurance company stocks.

A. In the capital stock of any insurance company authorized to conduct business in this state provided:

1. In the period consisting of the 5 fiscal years immediately preceding the date of investment not less than 50% of the net premiums written by the company and its subsidiaries shall have been in respect to risks involving loss of or damage to property belonging to or in the custody of the insured, which risks are hereinafter referred to as fire and allied risks. Not over 1/3 of the net premiums written in the same period shall have been in respect to liability of owners or operators of motor vehicles for personal injuries or property damage. For the purpose of this subsection, a fire insurance company subsidiary shall be construed to mean any insurance company 50% or more of the capital stock of which is owned by said fire insurance company or by any other subsidiary thereof;

2. At the end of the fiscal year immediately preceding the date of investment, the combined total of capital stock and surplus of the company plus the voluntary reserves, as the latter term is hereinafter defined, of the company and its insurance subsidiaries shall be at least 80% of the sum of all of the unearned premiums in respect to all fire and allied risks plus 1/2 of the unearned premiums in respect to accident and health policies and policies covering liability of the insured for injury or damage to the person or property of others. As used herein, the term voluntary reserves shall be construed to mean all sums allocated to reserve accounts other than unearned premium and loss reserves required by the existing laws and regulations relating to insurance companies doing business in this state.

B. Not more than 5% of the deposits of a mutual savings bank may be invested in stocks of fire insurance companies and not over .5% of the deposits of a mutual savings bank may be invested in the stock of any 1 insurance company or subsidiary thereof.'