

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Ninety-ninth Legislature

OF THE

STATE OF MAINE

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PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Ninety-ninth Legislature

1959

Chapter 346

AN ACT Restating and Revising the Law Governing Insurance Companies, Agents, Brokers, and Fees.

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

Sec. 1. R. S., c. 60, § 3, amended. Section 3 of chapter 60 of the Revised Statutes is amended by adding at the end the following sentence:

'The certificate is effective until July 1st of the year following its date of issue.'

Sec. 2. R. S., c. 60, § 3-A, additional. Chapter 60 of the Revised Statutes is amended by adding a new section to be numbered 3-A, to read as follows:

'Sec. 3-A. Transaction of insurance business without license prohibited. An organization of any type may not transact insurance business by issuing or delivering insurance contracts in this State without first obtaining a license or certificate of qualification from the commissioner as required by this chapter.

I. Penalty. An organization which violates this section shall be punished by a fine of not more than \$5,000, and a member of the organization who authorizes or participates in any act in violation of this section shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 2 years, or by both.

II. Injunction. The Superior Court in equity shall enjoin any operation in violation of this section on petition of the Insurance Commissioner or any interested person.

III. Exceptions. This section does not apply to an unauthorized insurance company which issues or delivers insurance contracts in this State with the permission of the commissioner through a surplus line broker, or which enters into a reinsurance contract with an authorized insurance company.'

Sec. 3. R. S., c. 60, § 26-A, additional. Chapter 60 of the Revised Statutes is amended by adding a new section to be numbered 26-A, to read as follows:

'Sec. 26-A. Violation and penalty. A person or organization other than an incorporated insurance company which transacts insurance business by issuing or delivering insurance contracts in this State shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 2 years, or by both.'

I. Exception. This does not apply to the issue or delivery of contracts of indemnity governed by sections 236 to 243.'

Sec. 4. R. S., c. 60, § 52-A, additional. Chapter 60 of the Revised Statutes is amended by adding a new section to be numbered 52-A, to read as follows:

'Sec. 52-A. Authority of foreign insurer restricted. A foreign insurance company which is licensed to do business in this State may not effect an insurance contract covering a resident of this State, property situated in this State, a risk incident to the performance or non-performance of any obligation to be performed in this State, or a risk incident to any obligation which is governed by the laws of this State though actually to be performed elsewhere, unless it is issued or countersigned by a resident agent.

I. Exceptions. This section does not apply to the following contracts of insurance:

A. A contract of life insurance, or annuity contract, or a supplemental contract of insurance against accidental death or permanent and total disability made in connection with it.

B. A contract of insurance covering the rolling stock of a railroad or any vessel, aircraft or motor carrier used in interstate or foreign commerce, or covering any liability or other risks incident to the ownership, maintenance or operation of them.

C. A contract of insurance covering any property in interstate or foreign commerce, or any liability or risk incidental to it.

D. A contract of reinsurance between insurance companies or other insurers.

E. A bid bond issued by a surety company in connection with any public or private building or construction project.

F. A contract of group insurance of a type permitted by this chapter issued to a nonresident policyholder, and any insurance certificate applicable to it.'

Sec. 5. R. S., c. 60, § 87, amended. The last sentence of section 87 of chapter 60 of the Revised Statutes is amended to read as follows:

'Said companies shall procure licenses for their agents as provided in section ~~273~~ 273-B, but no fee shall be required by the commissioner for licenses issued to the agents of such companies.'

Sec. 6. R. S., c. 60, § 247, repealed and replaced. Section 247 of chapter 60 of the Revised Statutes is repealed and the following enacted in place thereof:

'Sec. 247. License. Application for the license provided for in section 244 must be made in the form required by the commissioner and must contain the information he deems necessary. The application must be accompanied by a copy of each of the following documents:

I. Certificates of incorporation;

II. By-laws;

III. Proposed contracts between the corporation and participating hospitals and physicians showing the terms under which the hospital, medical or surgical service is to be furnished to subscribers;

IV. Contracts to be issued to subscribers showing a table of the rates to be charged and the benefits to which they are entitled;

V. Financial statement of the corporation, including the contributions paid or agreed to be paid to the corporation for working capital, the name of each contributor, and the terms of each contribution. The contributions must total at least \$5,000.'

Sec. 7. R. S., c. 60, § 247-A, additional. Chapter 60 of the Revised Statutes is amended by adding a new section to be numbered 247-A, to read as follows:

'Sec. 247-A. Issue of license. The commissioner shall issue a license on payment of a fee as provided in section 314, subsection III, if the applicant meets the following requirements:

I. It is established to provide a bona fide nonprofit hospital or medical service plan.

II. The contracts between the applicant and the participating hospitals or physicians obligate each participating party to render service to which each subscriber may be entitled under the terms of the contract issued to the subscribers.

III. The rates charged and benefits to be provided are reasonable.

IV. Contributions to the working funds of the applicant are repayable only out of earned premiums in excess of operating expenses, payments to participating hospitals and physicians, and an adequate reserve required by the commissioner.

V. The money available for working capital must be sufficient to cover all acquisition costs and operating expenses for a reasonable time from the date of the issuance of the license.'

Sec. 8. R. S., c. 60, § 255, amended. The last paragraph of section 255 of chapter 60 of the Revised Statutes is repealed and the following paragraph enacted in place thereof:

'The applicant shall pay a license fee to the commissioner as provided in section 314, subsection III.'

Sec. 9. R. S., c. 60, § 259, amended. The last paragraph of section 259 of chapter 60 of the Revised Statutes is repealed and the following paragraph enacted in place thereof:

'The applicant shall pay a license fee to the commissioner as provided in section 314, subsection II.'

Sec. 10. R. S., c. 60, § 261, amended. The last paragraph of section 261 of chapter 60 of the Revised Statutes is repealed and the following paragraph enacted in place thereof:

'The applicant shall pay a license fee to the commissioner as provided in section 314, subsection II.'

Sec. 11. R. S., c. 60, §§ 273-276, repealed. Sections 273 to 276 of chapter 60 of the Revised Statutes, as amended by chapter 264 of the public laws of 1957, are repealed.

Sec. 12. R. S., c. 60, §§ 294-297, repealed. Sections 294 to 297 of chapter 60 of the Revised Statutes, as amended by chapters 108 and 263 of the public laws of 1957, are repealed.

Sec. 13. R. S., c. 60, §§ 273-A - 273-T, additional. Chapter 60 of the Revised Statutes is amended by adding 20 new sections to be numbered 273-A to 273-T, to read as follows:

“Sec. 273-A. Definitions. The listed terms as used in sections 273-B to 273-S are defined as follows, unless a different meaning is plainly required by the context:

“Authorized insurance company” means an insurance company licensed to transact insurance business in this State.

“Organization” means a partnership, company or corporation.

“Resident” means a person who has his domicile or his principal place of business in this State or an organization which has an established place of business in this State.

“Unauthorized insurance company” means a foreign insurance company or an association as defined in section 26 which is not licensed to transact insurance business in this State.

Sec. 273-B. Types of licenses. The commissioner may issue the following types of licenses which must be obtained before a person or organization may perform any act authorized by them:

- I. Resident agent’s license;
- II. Nonresident agent’s license;
- III. Resident broker’s license;
- IV. Nonresident broker’s license;
- V. Surplus line broker’s license;
- VI. Resident organization agent’s license;
- VII. Nonresident organization agent’s license;
- VIII. Resident organization broker’s license;
- IX. Nonresident organization broker’s license;
- X. Adjuster’s license.

Sec. 273-C. Commissioner may restrict authority under license. The commissioner may restrict the authority of a person or organization under a license issued as provided in section 273-B, to fire, casualty, inland marine, ocean marine, fidelity, surety or other kind of insurance.

Sec. 273-D. Individual license requirements. In order to obtain an agent’s, broker’s or adjuster’s license, an applicant must comply with the following requirements:

I. Application. He must file an application with the commissioner containing his name, date of birth, place of residence, present occupation, occupation for the preceding 5 years, and any other pertinent information required by the commissioner.

II. Age. He must be at least 21 years of age.

III. Residence. He must be a resident of this State if he applies for a resident agent's or broker's license or for an adjuster's license.

A. An applicant for or holder of a resident agent's or broker's license may not be licensed as a resident agent or broker in any other state.

IV. Character. He must have good moral character.

V. Good faith. He must intend to hold himself out in good faith as an agent, broker or adjuster.

VI. Examination fee. He must pay an examination fee to the commissioner as provided in section 314, unless exempted by subsection VII.

VII. Examination. He must appear at the time and place designated by the commissioner to take a written examination. He must pass the examination with a grade indicating his ability to perform his duties in a satisfactory manner under the license for which he applies.

A. A personal examination and examination fee are not required of an applicant for an agent's license when the annual premium on each policy to be sold under the license does not exceed \$2.

B. A personal examination and examination fee are not required of an applicant for an agent's license only for the sale of baggage or accident insurance covering travel risks, if the applicant is employed primarily for a purpose other than the sale of insurance.

C. A personal examination and examination fee are not required of an applicant for an agent's license only for the sale of insurance written on the assessment basis by a domestic mutual fire insurance company.

D. A personal examination and examination fee are not required of an applicant for an agent's license under sections 255 and 261.

E. A personal examination and examination fee are not required for the renewal of a license already issued, except as provided in section 273-J.

VIII. License fee. He must pay the license fee to the commissioner as provided in section 314.

IX. Agent must be authorized. The applicant for an agent's license must be authorized by each company he is to represent.

A. The company must be authorized to do business in this State.

B. The company must file a certificate with the commissioner authorizing the applicant to act as its agent.

X. Special requirements for surplus line brokers. An applicant for a surplus line broker's license must also comply with special requirements:

A. He must be licensed as a resident agent of an authorized fire or casualty insurance company and must maintain that license while his surplus line broker's license is in effect.

B. He must file with the Treasurer of State a bond in the penal sum of \$1,000 issued by a surety company approved by the commissioner containing the condition that the holder of the license will comply with the requirements of this chapter which pertain to him.

Sec. 273-E. Organization license requirements. The following provisions apply to an organization agent's or broker's license:

I. Application. The application for the license must contain the name and location of the place of business of the organization, the name and residence of each member of a partnership or company and of each officer of a corporation, the name and residence of each person authorized to transact business for it, and any other pertinent information required by the commissioner.

II. Place of business. The organization must establish and maintain a place of business in this State if it applies for a resident organization agent's or broker's license.

III. License fee. The organization must pay the license fee to the commissioner as provided in section 314.

IV. Content of license. A license issued to an organization must contain its name, the location of each place of business and the name and residence of each person authorized to transact business for it.

V. Individual qualifications. A person authorized to transact business for the organization must comply with the requirements of section 273-D.

VI. Employees authorized. On request of the organization, an employee who is licensed as an agent or broker may be authorized to act for the organization and his name shall be listed in the organization license.

Sec. 273-F. Examination. The following provisions apply to an examination for an agent's, broker's or adjuster's license:

I. Filed. The commissioner shall keep each examination on file for at least 6 months.

II. Use of fees. The examination fees shall be used to defray the expense of conducting examinations.

III. Waiting period. If an applicant fails to pass his first examination, he may take another with no waiting period or examination fee. If he fails to pass the 2nd or any subsequent examination, he must pay another examination fee as provided in section 314 and wait 6 months before retaking it.

Sec. 273-G. License issued. If the applicant complies with the pertinent requirements of sections 273-D and 273-E, the commissioner shall issue him the license for which he applies.

I. Duration of agent's license. An agent's license remains effective until the first day of July following its date of issue.

II. Duration of broker's license. A broker's license remains effective for one year following its date of issue.

III. Duration of adjuster's license. An adjuster's license remains effective until the last day of December following its date of issue.

Sec. 273-H. Temporary emergency license. The commissioner may issue a temporary license without examination as follows:

I. Agent's or broker's license. On the death, disability, termination of employment or transfer out of state of a licensed agent or broker, the commissioner may issue a temporary license to a suitable person appointed by an insurance company to act as its agent, or to a person capable of transacting the business of a broker, when the license is necessary to continue the business of the agent or broker for the protection of the public.

II. License restricted. A license issued under this section may be effective for not more than 6 months and may not be renewed.

III. License fee. The applicant for a temporary license must pay the same license fee to the commissioner as provided in section 314 for a regular license.

Sec. 273-I. Exception to adjuster's license requirements. A license to adjust the losses of an authorized insurance company by whom he is employed or retained is not required of a resident who is a company employee, licensed insurance agent or attorney-at-law admitted to practice in this State.

I. Commissioner notified. An insurance company must notify the commissioner of the name and address of any person not licensed as an adjuster or agent whom it has authorized to adjust its losses, before that person may act.

II. Commissioner may suspend license requirements. The commissioner may suspend the adjuster's license requirements for not more than 6 months when an emergency makes it necessary for an adjuster from another state to adjust losses in this State.

Sec. 273-J. Requalification of agent, broker or adjuster. After the elapse of 2 years from the expiration date of an agent's, broker's or adjuster's license, he must requalify under section 273-D before being relicensed.

Sec. 273-K. Authority under resident agent's license. A person licensed as a resident agent of any authorized insurance company may act as follows:

I. Sale of insurance. He may solicit, sell and make binding insurance contracts within the authority granted him by the company and the scope of his license.

II. Adjustment of losses. He may adjust the losses of the company within the authority granted him by the company.

III. Transfer of insurance business. He may place business which he is licensed to solicit with an agent of another authorized insurance company

which transacts the same kind of insurance business, when necessary for the adequate protection of a risk.

Sec. 273-L. Authority under nonresident agent's license. A person licensed as a nonresident agent may represent only an authorized life insurance company. He may solicit and sell only life insurance and accident and sickness insurance and make binding contracts within the authority granted him by the company and the scope of his license.

I. Applications through resident agent. A nonresident agent must place all applications for insurance covering a risk in this State through a resident agent of the company.

II. Issuance of license restricted. A nonresident agent may not be licensed in this State unless the laws of his state of residence permit a resident of Maine to be similarly licensed.

Sec. 273-M. Authority under resident and nonresident broker's licenses. A person licensed as a resident or nonresident broker may negotiate insurance contracts covering risks in this State with any authorized insurance company within the scope of his license.

I. Placement through resident agent. A nonresident broker must place through a resident agent all insurance covering a resident of this State, property situated in this State, a risk incident to the performance or non-performance of any obligation to be performed in this State, or a risk incident to any obligation which is governed by the laws of this State though actually to be performed elsewhere, except as provided in section 52-A, subsection I.

II. Countersigning fee. A nonresident broker shall pay a resident agent who countersigns a fire insurance contract covering property located in this State 50% of the commission as a countersigning fee.

Sec. 273-N. Authority under surplus line broker's license. A person licensed as a surplus line broker may negotiate insurance contracts covering fire, casualty, inland marine, ocean marine, fidelity and surety risks in this State with an unauthorized insurance company within the scope of his license.

I. Application to commissioner. He must make written application to the commissioner stating his reasons for desiring to insure a particular risk with an unauthorized insurance company.

II. Permission granted. The commissioner shall grant him permission to procure the desired insurance, if he finds that all the following conditions exist:

A. The desired coverage is necessary for the adequate protection of a risk in this State.

B. It may be written under the laws of this State by an authorized insurance company.

C. It is not available in any authorized insurance company.

D. The company named by the broker is responsible and financially sound.

III. Financial stability. If the commissioner finds that the company named by the broker is not responsible or financially sound, he shall notify the broker who may then submit the name of a different company.

IV. Notice to commissioner. Within 5 days after the risk is insured, the broker shall give written notice to the commissioner of the name of the owner, location of the property, name and location of the company issuing the policy, and any other pertinent information required by the commissioner.

V. Records. The broker shall keep a separate account of all the business done under his license, and the necessary records to verify that account. All the records of the broker shall be open at all times to the inspection of the commissioner or his representative.

VI. Monthly reports. He shall file a monthly report with the commissioner showing the amount of insurance placed for any person or organization, the location of each risk, the gross premium charged, the names of each company in which the insurance was placed, the date and term of each insurance contract issued, and any other pertinent information required by the commissioner. The report shall also show in the same detail each contract cancelled during the month covered by the report and the return premium on it.

VII. Annual report and payment of premium tax. He shall file an annual report in January with the Insurance Commissioner and the Treasurer of State containing a sworn statement of the gross premiums charged for insurance placed, and the gross return premiums on the insurance cancelled, during the year ending on the 31st of the preceding December. At the time of filing the report, he shall pay to the Treasurer of State 2% of the difference between the gross premiums and the return premiums reported for the business transacted during the year.

Sec. 273-O. Authority under organization agent's or broker's license. An organization agent's or broker's license entitles the organization through its representatives to act in the same manner as an individual holding the same type of license. A person named in the license is entitled to act only for and in the name of the organization.

I. Limitation explained. This does not prevent a person named in an organization license from also being licensed and acting in his own name.

Sec. 273-P. Authority under adjuster's license. A person licensed as an adjuster may investigate and negotiate the settlement of claims arising under insurance contracts issued by an insurance company.

Sec. 273-Q. General regulations. The following general regulations apply:

I. Validity of insurance contract. An insurance contract issued on an application solicited, received or forwarded by an unlicensed person binds the issuing company, if it is otherwise valid.

II. Personal liability. An insurance agent is personally liable under any insurance contract made by or through him outside the scope of his authority.

III. License not needed. An employee who does only clerical work in the office of an insurance agent or broker need not obtain any license.

IV. Authority to write surety bonds restricted. A judge of probate, register of probate, or any employee in the office of either may not write surety bonds.

Sec. 273-R. Violation and penalty provisions. The following violation and penalty provisions apply:

I. Acting as agent or broker without a license. If a person solicits, receives or forwards a risk or application for insurance to any insurance company or issues, negotiates or countersigns any insurance contract without having first obtained the proper license as an agent or broker, he shall be punished by a fine of not more than \$500 or by imprisonment for not more than 90 days, or by both.

II. Acting as adjuster without a license. If a person adjusts a loss for any company without having first obtained an adjuster's license, unless exempted by section 273-I, he shall be punished by a fine of not more than \$500 or by imprisonment for not more than 90 days, or by both.

III. Placing insurance in unauthorized companies. If a surplus line broker negotiates or acts in negotiating an insurance contract with an unauthorized insurance company and fails to perform the duties required by section 273-N, or willfully or knowingly makes a false statement or affidavit in performing the duties of that section, he shall be punished by a fine of not more than \$500 or by imprisonment for not more than 90 days, or by both.

Sec. 273-S. Suspension or revocation of license. The following provisions apply to the suspension or revocation of a license issued by the commissioner.

I. Reasons for suspension or revocation. The commissioner shall suspend, revoke or refuse to renew the license of an agent, broker or adjuster for any of the following reasons:

A. Violation of any of the insurance laws of this State.

B. Willfully over-insuring property located in this State.

C. Willfully misrepresenting an insurance contract.

D. Dealing unjustly with or willfully deceiving a resident of this State in regard to any insurance contract.

E. Failure to pay over to an insurance company on request any money or property in his hands belonging to the company.

F. Using the license primarily for the purpose of procuring insurance contracts to indemnify him, a member of his family, or an organization in which he or a member of his family has a pecuniary interest.

G. Holding a resident agent's or broker's license in this and any other state at the same time.

H. Becoming unfit for the position in any other way.

II. Notice and hearing. The commissioner may suspend, revoke or refuse to renew a license only after notice and public hearing. If, after hearing,

the commissioner determines that the license should be suspended, revoked or should not be renewed, he shall give the agent, broker or adjuster a 10-day written notice of that fact. In case of the suspension, revocation or non-renewal of an agent's license, the commissioner shall notify the companies which he represents of that fact at the same time the agent is notified.

Sec. 273-T. Application of sections 273-A to 273-S. Sections 273-C to 273-K, 273-M to 273-P, 273-R and 273-S do not apply to life insurance agents. Sections 273-A, 273-B, 273-L and 273-Q apply to life insurance agents to the extent they are not contrary to sections 278 to 293.

Sec. 14. R. S., c. 60, § 281, sub-§ III, repealed and replaced. Subsection III of section 281 of chapter 60 of the Revised Statutes is repealed and the following enacted in place thereof:

'III. The examination and license fees provided in section 314, subsections V and VII, apply to an applicant for a life insurance agent's license.'

Sec. 15. R. S., c. 60, § 282, sub-§ I, ¶ A, amended. Paragraph A of subsection I of section 282 of chapter 60 of the Revised Statutes is amended to read as follows:

'A. An applicant for a renewal license, unless the commissioner determines that such examination is necessary to establish the competency or trustworthiness of such individual; or unless a license had not been issued to such applicant within 2 years preceding following the date of filing his application expiration of his previous license.'

Sec. 16. R. S., c. 60, § 282, sub-§ I, ¶ B, repealed and replaced. Paragraph B of subsection I of section 282 of chapter 60 of the Revised Statutes is repealed and the following enacted in place thereof:

'B. An applicant for an agent's license only for the sale of accident insurance covering travel risks as provided in section 273-D, subsection VII, paragraph B.'

Sec. 17. R. S., c. 60, § 287, sub-§ III, repealed and replaced. Subsection III of section 287 of chapter 60 of the Revised Statutes is repealed and the following enacted in place thereof:

'III. A license issued under this section may be effective for not more than 6 months, and it may not be renewed.'

Sec. 18. R. S., c. 60, § 314, repealed and replaced. Section 314 of chapter 60 of the Revised Statutes, as amended by chapter 48 and by section 52 of chapter 429, both of the public laws of 1957, is repealed and the following enacted in place thereof:

'Sec. 314. Commissioner's fee schedule. The Insurance Commissioner shall charge according to the fee schedule outlined in this section.

I. Insurance company licenses. The fees for issuing or renewing company licenses and certificates are as follows:

A. License to a foreign insurance company, foreign surety company or foreign fraternal beneficiary association to do business in this State, \$50.

B. Certificate of qualification of a domestic insurance company to act under its charter, \$50.

1. A domestic mutual fire insurance company writing only on the assessment basis need not pay this fee.

II. Road or tourist service and agent's licenses. The fee for issuing or renewing a license to a road or tourist service under section 259 is \$20. The fee for issuing or renewing to an agent under section 261 is \$2.

III. Nonprofit hospital and medical service organization and agent's licenses. The fee for issuing or renewing to a nonprofit hospital or medical service organization under section 247-A is \$20. The fee for issuing or renewing a license to an agent under section 255 is \$2.

IV. Reciprocal contract certificate. The fee for issuing or renewing a certificate of authority to make reciprocal contracts of indemnity under sections 236 to 243 is \$50.

V. Agent's and broker's licenses. The fees for issuing or renewing agent's and broker's licenses are as follows:

A. License to a resident agent of any insurance company, surety company or fraternal beneficiary association, \$2.

1. A resident agent of a domestic mutual fire insurance company need not pay this fee.

B. License to a nonresident agent, \$10.

C. License to a resident broker, \$25.

D. License to a nonresident broker, \$50.

E. License to an organization to act as an insurance agent, \$2 for each resident and \$10 for each nonresident named in the license.

1. An organization acting as agent of a domestic mutual fire insurance company need not pay this fee.

F. License to an organization to act as an insurance broker, \$25 for each resident and \$50 for each nonresident named in the license.

G. License to a surplus line broker, \$20.

VI. Adjuster's license. The fee for issuing or renewing an adjuster's license is \$2.

VII. Examination of agents, brokers and adjusters. The fee for examination of an agent, broker or adjuster is \$10.

A. The fee need not be paid for the first re-examination but must be paid for each further re-examination.

B. The fee is not returnable after an applicant takes the examination for which it was paid.

C. The fee need not be paid if exempted by section 273-D, subsection VII.

VIII. Filing annual statement. The fee for filing the annual statement submitted by each insurance company is \$50.

A. A domestic mutual fire insurance company writing only on the assessment basis need not pay this fee.

IX. Receiving service of process. The fee for receiving service of process in a suit against any foreign insurance company, surety company or fraternal beneficiary association or against a person making a reciprocal contract of indemnity is \$2.

A. This shall be paid by the plaintiff at the time of the service.

B. The plaintiff may recover this fee as part of the taxable costs of the suit if he prevails.

X. Lightning rod manufacturer's and salesman's licenses. The fee for issuing or renewing a license to a lightning rod manufacturer is \$20. The fee for issuing or renewing a license to a lightning rod salesman is \$2.'

Sec. 19. R. S., c. 60, §§ 314-A - 314-B, additional. Chapter 60 of the Revised Statutes is amended by adding 2 new sections to be numbered 314-A and 314-B, to read as follows:

'Sec. 314-A. Use of fees. The fees collected under section 314, subsections I and VIII, shall be used solely to defray administrative expenses for examining companies, reviewing and auditing annual statements, and regulating rates as required by this chapter.

Sec. 314-B. Company to pay expense of its examination. An insurance company shall pay all travel expenses incurred by order of the commissioner in examining the company as required by law.

I. Exception. A domestic mutual insurance company which does its direct business entirely in the State need not pay any of the expenses of its examination.'

Sec. 20. R. S., c. 60, § 353, additional. Chapter 60 of the Revised Statutes is amended by adding a new section to be numbered 353, to read as follows:

'Sec. 353. General penalty provisions. The following general penalty provisions apply to this chapter:

I. Individual penalty. If a person fails or refuses to perform a duty required by this chapter for which no penalty has been provided, he shall be punished by a fine of not more than \$100 or by imprisonment for not more than 10 days, or by both. If a person performs an act prohibited by this chapter for which no penalty has been provided, he shall be punished by a fine of not more than \$100 or by imprisonment for not more than 10 days, or by both.

II. Organization penalty. If an organization of any type fails or refuses to perform a duty required by this chapter for which no penalty has been provided it shall be punished by a fine of not more than \$250. If an organization performs an act prohibited by this chapter for which no penalty has been provided, it shall be punished by a fine of not more than \$250.

A. Any member of the organization who authorizes or participates in any act or omission in violation of this subsection shall be punished by a fine of not more than \$250 or by imprisonment for not more than 30 days, or by both.'

Sec. 21. P. L., 1959, c. 169, repealed; limitation. Chapter 169 of the public laws of 1959, heretofore passed by this Legislature, amending section 276 of chapter 60 of the Revised Statutes, is hereby repealed and shall not be printed as part of the session laws of 1959.

Effective September 12, 1959

Chapter 347

AN ACT Providing for Forest Rehabilitation.

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

Sec. 1. R. S., c. 36, § 94-B, additional. Chapter 36 of the Revised Statutes, as amended, is further amended by adding a new section to be numbered 94-B, to read as follows:

'Forest Rehabilitation.

Sec. 94-B. Forest rehabilitation. The Forest Commissioner shall carry out a forest rehabilitation program on unstocked and poorly stocked potential forest land either public or private with first priority to burned areas. He shall make use of federal funds as and if available and of inmates of state institutions, including penal, whenever possible or feasible. The State shall participate in the cost of such forest rehabilitation up to 50% of the total cost on private land including the value of the trees.'

Sec. 2. Appropriation. There is appropriated from the Unappropriated Surplus of the General Fund the sum of \$10,000 for the fiscal year ending June 30, 1960 and \$10,000 for the fiscal year ending June 30, 1961 to carry out the purposes of this act.

Effective September 12, 1959

Chapter 348

AN ACT Revising the Law Relating to Education of Physically Handicapped or Exceptional Children.

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

Sec. 1. R. S., c. 41, § 207-A, amended. Section 207-A of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 467 of the public laws of 1955, is amended to read as follows: