

MAINE STATE LEGISLATURE

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FOURTH REVISION.

THE
REVISED STATUTES

OF THE
STATE OF MAINE,

PASSED AUGUST 29, 1883, AND TAKING EFFECT JANUARY 1, 1884.

BY THE AUTHORITY OF THE LEGISLATURE.



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CHAP. 48.

Before doing business, officers to prepare a certificate of facts, to be examined by attorney general and then recorded in registry of deeds and secretary of state's office.
 R.S., c. 48, § 19.
 61 Me., 356.
 64 Me., 381.
 70 Me., 146.

SEC. 18. Before commencing business, the president, treasurer, and a majority of the directors shall prepare a certificate setting forth the name and purposes of the corporation, the amount of capital stock, the amount already paid in, the par value of the shares, the names and residences of the owners, the name of the county where it is located, and the number and names of the directors, and shall sign and make oath to it; and after it has been examined by the attorney general, and been by him certified to be properly drawn and signed and to be conformable to the constitution and laws, it shall be recorded in the registry of deeds in the county where the business is to be done, in a book kept for that purpose, and a copy thereof certified by such register shall be filed in the secretary of state's office, who shall enter the date of filing thereon, and on the original certificate to be kept by the corporation, and shall record said copy in a book kept for that purpose. Such corporation shall pay the attorney general and secretary of state five dollars each for their services in advance.

—their fees.

Then to be a corporation, subject to this chapter and c. 46.
 R.S., c. 48, § 20.
 61 Me., 356.
 64 Me., 381.
 70 Me., 146.
 Corporations organized under general law, may increase capital stock and change number of directors.
 1883, c. 116, § 2.

SEC. 19. From the time of filing such certificate in the secretary of state's office, the signers of said articles and their successors and assigns shall be a corporation, the same as if incorporated by a special act, with all the rights and powers, and subject to all the duties, obligations and liabilities provided by this chapter and chapter forty-six.

SEC. 20. If the stockholders of any corporation organized under sections sixteen and seventeen, find that the amount of its capital stock is insufficient for the purposes for which said corporation is organized, or that the number of directors is inconvenient for the transaction of its business, the stockholders may by a vote representing a majority of the stock issued, increase the amount of its capital stock to any amount not exceeding two million dollars, and may change the number of their directors in like manner, and the corporation shall give notice of such change to the secretary of state within ten days thereafter.

—secretary of state to be notified.

CHAPTER 49.

INSURANCE AND INSURANCE COMPANIES.

- SEC. 1.** Insurance companies subject to this chapter and chapter forty-six.
- 2.** Business to be managed by president and directors; how chosen; tenure of office; vacancies, how filled.
- 3.** Companies may divide their directors into two or three classes. Their terms of office, to be designated. Vacancies, how filled.

STOCK COMPANIES.

- SEC. 4.** Secretary and other officers. Duties of secretary.
- 5.** Manner of calling meetings.
- 6.** Capital to be at least \$100,000.
- 7.** Liability of stockholders in certain cases.
- 8.** Capital, how to be invested.

- SEC. 9. Loans on respondentia or bottomry.
10. What property may be insured, and limit thereof.
11. Insurance valid on furniture owned partly by husband and partly by wife.
12. Policies, how to be executed.
13. Insurance companies not to engage in trade.
14. Dividends, when and how to be made.
15. Loss of capital, to be repaired.
16. Marine insurance companies may divide certain profits.
17. Triennial statements to be made.
18. Not to insure, after loss of capital.
19. Person authorized to receive applications and payments, to be deemed agent; notice to him, and all his acts, binding.
20. Statements of description and value are representations and not warranties. No omissions, concealments or mistakes of insured prevent his recovery, unless they are fraudulent or increase the risk.
21. Insured shall give notice of loss, and render a particular account thereof, under oath, to company, and if required, shall exhibit books and vouchers and be examined on oath. Provisions in policies, inconsistent herewith, void.
22. Certain provisions not to be applied to mutual companies.

MUTUAL COMPANIES.

- SEC. 23. Mutual companies, insurance by, regulated.
24. Regulations, to be set forth in the policies.
25. All persons insured, to be members.
26. Assessments on premium notes. Married woman's note valid.
27. Policy and note one contract, and loss and other claims set off against it. If company fails, maker only ratably liable on note, and if in sixty days, not at all; and in no case, beyond the amount of note. When insurance ends, note to be surrendered.
28. Lien on insured real estate, and how secured.
29. Remedy, if assessment is not paid.
30. Lien, good on property of deceased persons insured.
31. Annual statements to be made, and published.
32. Compensation of officers. Votes by proxy, limited.
33. Assessments may be examined by court, on application of any member, officer, policy-holder or creditor. Admitted claims, how adjusted when directors refuse to make assessment.
34. Order of notice and proceedings.
35. Auditor or master, to be appointed. Proceedings.
36. Assessment, when final. Costs. Control of funds, and payment of assessments.
37. Collection of insufficient assessment may be stayed.

ORGANIZATION OF INSURANCE COMPANIES UNDER GENERAL LAW.

- SEC. 38. Insurance companies, how organized. Their rights and obligations.
39. Articles of agreement, what they must set forth. Capital cannot be less than one hundred thousand dollars.
40. Mutual companies may be thus organized on certain conditions.
41. When new companies may issue policies.
42. May adopt a name, subject to approval of commissioner.
43. First meeting, how called.
44. Organization to be effected, at first or adjourned meeting. Proceedings. Majority of subscribers must act.
45. President, secretary and other officers, to be chosen.
46. Sworn certificate of articles of association to be signed by officers and submitted to commissioner for approval, and to be recorded by secretary of state. Form.
47. Capital stock, how increased. Sworn certificate thereof to be presented to commissioner. When authorized to transact business on new capital.
48. Fees of secretary of state.
49. Dividends, not to exceed six per cent. Certificate of profits, and increase of capital stock thereby.
50. Place of business, and meetings, must be in the state, and majority of directors must be citizens. Inconsistent provisions of charters and by-laws, repealed.

CHAP. 49.

RIGHTS OF ASSIGNEES.

- SEC. 51. Assignee of policy may sue in his own name. Limitations.

LIEN OF MORTGAGEES.

- SEC. 52. Lien of mortgagee upon policy.
53. How enforced, if mortgagor does not consent.
54. How amount recovered in suit is to be applied. Costs of suit, if company defends.
55. Priority of mortgages, how determined.
56. Claims of mortgagee, when to be void.

SECURITIES DEPOSITED WITH THE TREASURER OF STATE.

- SEC. 57. Insurance companies may deposit securities with treasurer of state.
58. Treasurer to furnish certificate thereof.
59. Interest or dividend may be collected by the company. Securities, how withdrawn.
60, 61. When to be returned to the company.
62. Duty of treasurer, in case of failure of the company.
63. Treasurer's fees.

THE APPOINTMENT, TENURE OF OFFICE, POWERS, DUTIES AND COMPENSATION OF THE INSURANCE COMMISSIONER.

- SEC. 64. Appointment, tenure of office, and duties of insurance commissioner. He must keep an accurate account of his fees and settle the same quarterly; also a record of his official acts.
65. He shall examine domestic companies, and may require the production of books and papers, and ask questions of officers. Penalty for refusing.
66. New companies to organize in two years, or charter void. No such company to do business without a license from the commissioner. Fee therefor. Annual renewal of license.
67. When the commissioner thinks any domestic company insolvent, he shall apply for an injunction. Proceedings. Clerk's fees, how paid.
68. Proceedings in case of life insurance companies.
69. Capital stock of insurance companies to be restored by assessment, when net assets are reduced to three fourths of stock. Proceedings. To what extent company may reduce its capital stock.
70. Domestic company violating foregoing section, to be proceeded against.
71. Foreign companies required to restore capital stock to the legal amount. Proceedings, in case of neglect.
72. No foreign insurance company shall do business in the state without exhibiting its financial condition to the commissioner, and receiving a license from him, to be renewed annually. Fees.
73. No person shall act as agent, without filing a copy of his power of attorney with the commissioner and receiving a license. Penalty therefor. Fees of commissioner. Policy issued without license, valid.
74. Commissioner may license insurance brokers. Fees therefor. Penalty for acting without license.
75. Commissioner may suspend unsafe foreign companies. Penalty for doing business thereafter. He may require statement of their condition.
76. When such companies are dissolved or restrained at home, or suspended by the commissioner, court may appoint receivers, who may maintain actions in their own names.
77. Companies to make annual returns to commissioner, on blanks furnished.
78. Commissioner may visit and examine foreign companies doing business in the state, and employ assistants. Expenses, paid by company. Proviso.
79. His authority over books, papers and officers of such company. Penalty, if company refuses to submit to his examination.
80. Commissioner to preserve statements of all companies examined by him, and all rendered to him; annually to report to governor and council, and to publish the condition thereof.
81. When he may suspend an insolvent foreign life insurance company. Penalty for issuing policies afterwards. How it may resume business.

- SEC. 82. Company may appeal to a justice of the supreme court, from the decision of the commissioner suspending its business or refusing to allow it to resume. His decision is final.
83. Receivers, powers and proceedings of.
84. Penalties, how recovered. County attorney shall prosecute.

CHAP. 49.

INQUESTS INTO INSURANCE FRAUDS.

- SEC. 85. Investigation of insurance frauds by commissioner or magistrate appointed by him, on application of an officer of the company. Fees.

FOREIGN INSURANCE COMPANIES AND AGENCIES.

- SEC. 86. Definition of "domestic" and "foreign."
87. No foreign fire or marine insurance company to do business in the state without a paid up capital of \$200,000; no foreign life insurance company with less than \$100,000, and no stipulations in charter, by-laws or policy, shall defeat jurisdiction, or limit right of action to less than two years.
88. Foreign companies shall annually publish condensed statement of their condition, in each county where they issue policies. Penalty.
89. Suits against foreign companies may be brought in courts of this state. Service, how made. When judgment against them is not paid in thirty days after demand, commissioner may suspend their operations. Penalty for violating such suspension; but policies so issued, are binding.
90. Agents of all companies are regarded as principals; notices are served on them bind principals; and knowledge by them is the same as by principal.

LIFE INSURANCE.

- SEC. 91. What life policies are continued in force after forfeiture, and to what extent. Proceedings. Endowment policies.
92. In case of death during a term of continued insurance, the amount of the policy must be paid. Proviso.
93. Life risks exceeding one half, shall not be re-insured except by permission of the commissioner.
94. How far life and accident policies are exempt from attachment during the life time of the insured.

INSURANCE AND INSURANCE COMPANIES.

SEC. 1. All incorporated insurance companies may exercise the powers, and are subject to the duties and liabilities contained herein and in chapter forty-six, so far as is consistent with their charters.

SEC. 2. Their business shall be managed by not less than seven directors, who shall be chosen by the stockholders at the time and place and in the manner provided in their by-laws; they shall be stockholders, and hold their offices for one year, and until others are chosen and qualified in their stead. Vacancies may be filled at a meeting called for the purpose. In elections and other business, stockholders have one vote for each share. The directors shall choose one of their number president.

SEC. 3. All insurance companies, stock or mutual, established in the state, may, by their by-laws, divide their directors into two or three classes, to hold their office for two or three years, according to the number of classes, and until others are chosen in their stead. At the first election after such classification, the company shall designate the term for which each director is elected, in such manner that one class shall thereafter go out of office, annually. Vacancies shall be filled for the remainder of the term of the class in which they occur. The repeal of such by-laws shall not affect the term of the directors then in office; but all directors elected before such repeal shall hold office until the expiration of the term for which they were originally elected.

All companies subject to this and chapter 46. R.S., c. 49, § 1. Business to be managed by president and directors. R.S., c. 49, § 2. —how chosen; tenure of office; vacancies, how filled. See § 50.

Directors of insurance companies may be divided into classes. 1876, c. 70, § 1. —terms of office. 1876, c. 70, § 2. —vacancies, how filled. 1876, c. 70, § 3.

CHAP. 49.

STOCK COMPANIES.

Secretary and
other officers.
R.S., c. 49, § 3.
65 Me., 379.

SEC. 4. Every stock company or its directors, as often as once a year, shall, by ballot, elect a secretary, who shall be the clerk of the company and be sworn to the faithful discharge of his duty; besides other duties required by the by-laws of the company, he shall keep a true record of all the votes of the stockholders and of the directors, and a true list of the stockholders, and of the number of shares held by each, and record every transfer of shares in a book kept for the purpose. The directors may appoint such other officers as they think necessary.

Manner of
calling
meetings.
R.S., c. 49, § 4.

SEC. 5. The secretary shall call special meetings of such company, besides any meeting for which the by-laws provide, to be held at the time and place, and for the purposes required in writing, by the proprietors of one fifth of the capital stock; if the by-laws of such company prescribe no mode of calling such meeting, it may be notified in the manner prescribed in the act of incorporation for calling the first meeting.

Capital to be
at least
\$100,000.
R.S., c. 49, § 5.

SEC. 6. No insurance company shall be incorporated with a capital of less than one hundred thousand dollars, to be paid in at the periods and in the proportions required by the charter.

Liability of
stockholders,
in certain
cases.
R.S., c. 49, § 6.

SEC. 7. If any such company becomes insolvent before its whole capital is paid in by the stockholders, any creditor thereof may have his action on the case against any one or more of the stockholders, whose proportion of the whole stock allowed by the charter is not paid in, to recover against them in their individual capacity towards his debt, an amount not exceeding the sum due from them on their shares.

Capital and
assets, how to
be invested.
1881, c. 16.

SEC. 8. The capital and other assets of stock insurance companies, incorporated in this state, except such as may be needed for immediate use, shall be invested in the funded debt or bonds of the United States, or any of the New England States, or in the bonds or securities of county, town, or other municipal corporations of said New England States, or in the purchase of real estate in fee, in loans on mortgages of real estate, or deposits in savings banks in said states, or in bonds or stocks of incorporated companies of said states, of undoubted character for credit, insurance company bonds or stocks excepted, and in no case shall any such funds be loaned on the security of names alone.

—no loans to
be made on
names alone.

Loans on
respondentia
or bottomry.
R.S., c. 49, § 8.

SEC. 9. Such company may loan to citizens of the state, any portion not exceeding one half of its capital stock, on respondentia or bottomry; but not unless at least three fourths of all the directors agree to such loan, and enter their consent thereto at large on the records of the corporation, to be laid before the stockholders at their next meeting.

What
property may
be insured.
R.S., c. 49, § 9.
56 Me., 376.

SEC. 10. Such company may make insurance on vessels, freight, money, goods, and effects, against captivity of persons, on the life of any person during his absence at sea, or money lent on bottomry and respondentia, against fire on dwellings or other buildings, and on merchandise or other property within the United States, and fix the premiums and terms of payment; but no risk on any one bottom or on one building and contents shall exceed ten per cent. of its capital stock actually paid in.

—limit
thereof.

Furniture,
owned part

SEC. 11. Insurance effected by a husband or wife on a dwelling-

house owned by the insured and on the furniture therein, is valid for all the furniture, although part is owned by the husband and part by the wife.

SEC. 12. All policies, of insurance shall be signed by the president, or in case of his death, inability, or absence, by any two of the directors, and countersigned by the secretary; and they shall be binding upon the company as if executed under its corporate seal.

SEC. 13. Said company shall not, directly or indirectly, be concerned in buying or selling any goods, wares, merchandise, or commodities.

SEC. 14. The directors, at such times as their charter or by-laws prescribe, shall make dividends of so much of the profits of the company as they think advisable; but moneys received and notes taken for premiums on risks, which are undetermined at the time of making such dividends, shall not be part of said profits.

SEC. 15. After diminution of the capital stock by losses, depreciation or otherwise, no dividend shall be made until such diminution is supplied by actual funds, or the value is restored.

SEC. 16. Any marine insurance company may, by by-laws or votes duly passed for that purpose, divide among the stockholders thereof, and the persons insured therein, in proportion to the stock owned by such stockholders, and to the amount of premiums paid by the insured on risks terminated, all the clear profits of the company above six per cent. a year on its capital stock. Before such division is made, all arrearages of dividends to stockholders, required to make up their annual dividends equal to six per cent. a year, shall first be paid.

SEC. 17. Once in every three years, and oftener, if required by the stockholders, the directors shall lay before them at a meeting, an exact and particular statement of the affairs of the company, showing their profits, if any, after deducting losses and dividends.

SEC. 18. If the company sustains losses to an amount equal to its capital stock, and the president or directors, after knowing the same, make any new or further insurance, the estates of all who made such insurance or who consent thereto, shall be jointly and severally liable for the amount of any loss which occurs under such insurance.

SEC. 19. An agent authorized by an insurance company, whose name is borne on the policy, is its agent in all matters of insurance; any notice required to be given to said company or any of its officers, by the insured, may be given to such agent; any application for insurance, or valuation, or description of the property, or of the interest of the insured therein, if drawn by said agent, is conclusive upon the company, but not upon the insured, although signed by him; and all acts, proceedings and doings of such agent with the insured, are as binding upon the company, as if done and performed by the person specially empowered or designated therefor by the contract. (a)

SEC. 20. All statements of description or value in an application or policy of insurance, are representations and not warranties; erroneous

CHAP. 49.

by husband and part by wife.
R.S., c. 49, § 10.
Policies, how executed.
R.S., c. 49, § 11.
56 Me., 377.

Companies, not to trade.
R.S., c. 49, § 12.

Dividends, when and how to be made.
R.S., c. 49, § 13.

Loss of capital, to be repaired.
R.S., c. 49, § 14.

Marine companies may divide certain profits.
R.S., c. 49, § 15.

Triennial statements, to be made.
R.S., c. 49, § 16.

Not to insure, after loss of capital.
R.S., c. 49, § 17.

Person authorized to receive applications and payments, to be deemed agent; notice to him, and all his acts, binding.
R.S., c. 49, § 18.

Statements of description and value are

(a) 47 Me., 386; 49 Me., 203; 52 Me., 324; 54 Me., 170; 56 Me., 379; 59 Me., 433; 69 Me., 410; 70 Me., 539.

CHAP. 49.

representations and not warranties. R.S., c. 49, § 19. —no omissions, concealments or mistakes by insured shall prevent his recovery, unless they were fraudulent, or increased the risk.

Insured, shall give notice of loss, and render a particular account thereof, under oath, to company, and if required, shall exhibit his books and vouchers, and be examined on oath. R.S., c. 49, § 20.

—inconsistent provisions in policies, void.

Certain provisions, not to be applied to mutual companies. R.S., c. 49, § 21. 61 Me., 416.

descriptions or statements of value or title by the insured, do not prevent his recovering on his policy unless the jury find that the difference between the property as described and as it really existed, contributed to the loss or materially increased the risk; a change in the property insured, or in its use or occupation, or a breach of any of the terms of the policy by the insured, do not affect the policy unless they materially increase the risk; nor shall any misrepresentation of the title or interest of the insured in the whole or a part of the property insured, real or personal, unless material or fraudulent, prevent his recovering on his policy to the extent of his insurable interest. (a)

SEC. 21. In case of loss, under a policy against fire, the insured shall notify the company or its agent thereof, and within a reasonable time afterwards, shall deliver to the same, as particular an account of the loss and damage as the nature of the case will admit, stating therein his interest in the property, what other insurance, if any, existed thereon, in what manner the building insured, or containing the property insured, was occupied, at the time of the fire, and by whom and when and how the fire occurred, so far as he knows or believes; to be sworn to before some disinterested magistrate, who shall certify that he has examined the circumstances attending the loss, and has reason to and does believe such statement to be true; the insured shall, if so requested, within ten days after notice of loss, exhibit to the agent or company his books of account, bills of parcels and any other vouchers in his possession, and shall if requested, submit to an examination under oath, in the place of his residence; no other preliminary proof of any kind shall be required before commencing an action against such company. All provisions contained in any policy of insurance, in conflict with any of the provisions hereof, are null and void, and all contracts of insurance made, renewed or extended in the state, or on property within the state, are subject to the provisions hereof. (b)

SEC. 22. The provisions in the foregoing sections relating to the amount of capital stock to be owned by any insurance company, and the division of the same into shares, and dividends of profit thereon, and other provisions incidental to the nature of its fund, and such of said provisions as relate to the liability of directors or stockholders in case of deficiency of capital, and the regulations concerning the business of any such company contained in sections nine and ten, are not applicable to mutual fire insurance companies; but the other preceding provisions and the following are binding on such companies, so far as is consistent with their charters.

MUTUAL COMPANIES.

Mutual companies, insurance by,

SEC. 23. Domestic mutual fire insurance companies may make insurance for a term, not exceeding seven years, on dwelling houses, stores,

(a) 45 Me., 171; 46 Me., 397, 501; 47 Me., 236, 407; 48 Me., 286, 559; 49 Me., 203; 50 Me., 583; 51 Me., 99; 52 Me., 61, 181, 323, 335; 54 Me., 171; 57 Me., 137; 59 Me., 458, 586, 590; 61 Me., 416; 65 Me., 373; 69 Me., 411; 70 Me., 536.

(b) 46 Me., 501; 47 Me., 386; 49 Me., 205, 284; 51 Me., 33; 52 Me., 496; 53 Me., 109; 54 Me., 172; 56 Me., 380, 481; 64 Me., 503; 65 Me., 373; 67 Me., 184.

shops, and other buildings, and on household furniture, merchandise and other property, the contents of any building within the state, against loss or damage by fire originating in any cause other than by design on the part of the assured.

SEC. 24. No by-law, rule, or requirement, made by any such company is binding on any person insured, to vacate his policy, unless it is distinctly set forth in the policy or renewal. (a)

SEC. 25. Every person insured by such company, or his legal representatives or assigns continuing to be insured therein, is a member of the company during the term specified in his policy, and no longer.

SEC. 26. The insured, before receiving his policy, shall deposit his note for the sum determined by the directors; such part of it as the by-laws require, shall be immediately paid towards incidental expenses and indorsed thereon; and the remainder in such instalments, as the directors, from time to time, require for the payment of losses and other expenses, to be assessed on all who are members when such losses or expenses happen, in proportion to the amounts of their notes. A married woman may insure her property and give her note, with or without her husband, and it shall be as valid against her as if she were unmarried.

SEC. 27. A policy of insurance, issued by a life, fire or marine insurance company, domestic or foreign, and a deposit note given therefor, are one contract; and a loss under such policy, or other equitable claims, may be proved in defence to said note, though it was indorsed or assigned before it was due; and when a company becomes insolvent, the maker of the note is only liable for the equitable proportion thereof which accrued during the solvency; and if the insolvency occurs within sixty days of the date of the note, it is void except for the amount of the maker's claim, if any, on the company. No insured shall be held to contribute to any losses or expenses beyond the amount of his deposit note. At the expiration of his term of insurance, his note, on payment of all assessments for which it is liable, shall be relinquished to him, except as provided in the next section.

SEC. 28. The company shall have a lien against the assured, on the buildings insured and the land appurtenant thereto, for the amount at any time due on said note, to commence from the time of the recording of the same, as hereinafter provided, and to continue sixty days after the expiration of the policy, on which such note is given; if the company causes a certificate of its claim to such lien, signed by the secretary, to be recorded by the register of deeds for the county or district; and, during the pendency of such lien, an attachment of such property, in a suit on said note in favor of the company, has priority of all other attachments or claims; and execution, when recovered, may be levied on it accordingly.

SEC. 29. If an assessment, made as provided in section twenty-six, remains unpaid for thirty days after demand made by any agent of the company on any person liable to pay the note, the directors may sue for

CHAP. 49.
regulated.
R.S., c. 49, § 22.

Regulations
to be stated.
R.S., c. 49, § 23.

Insured to be
members.
R.S., c. 49, § 24.
37 Me., 143.

Assessments
on premium
notes.
R.S., c. 49, § 25.
34 Me., 453.
49 Me., 448.
50 Me., 305.
53 Me., 226.
64 Me., 128.

—married
woman's
note, valid.

Policy and
note one
contract, and
loss, &c., set
off against it.
R.S., c. 49, § 26.
—if company
fails, maker
only ratably
liable on
note, if with-
in 60 days,
not at all; in
no case be-
yond amount
of note.
—when insur-
ance ends,
note to be
surrendered.
48 Me., 274.
49 Me., 425.
64 Me., 128.
Lien on
insured real
estate, and
how secured.
R.S., c. 49, § 27.
28 Me., 253.

Remedy, if
assessment
is not paid.
R.S., c. 49, § 28.

(a) 18 Me., 156; 29 Me., 97, 292; 34 Me., 494.

CHAP. 49.
48 Mc., 78.

Lien good on
property of
deceased per-
sons insured.
R.S., c. 49, § 29.

Annual state-
ments to be
made and
published.
R.S., c. 49, § 30.

—provisc.

Compensa-
tion of offi-
cers: votes
by proxy,
limited.
R.S., c. 49, § 31.

Assess-
ments, when
made, may
be examined
by the court,
on applica-
tion of
parties
interested.
1875, c. 20, § 1.

—claims, how
adjusted,
when direc-
tors neglect
to make
assessments.

Order of no-
tice to parties
interested.
1875, c. 20, § 2.

—court may
examine and
determine
the case.

and collect the amount due on such note; and the amount collected shall remain in the treasury of the company subject to the payment of such sums as might otherwise be assessed on the note; and the overplus at the expiration of the policy shall be the property of the assured.

SEC. 30. Upon the death of a member, the lien of the company remains good on the property insured to the amount due on the deposit note, and the policy descends to the executor or administrator of the deceased for the benefit of the estate during its continuance, unless voluntarily surrendered, or forfeited by the provisions of the charter of the company.

SEC. 31. The directors of every such company shall cause a detailed account of their expenses for the year preceding, the amount of property actually insured at that time, the amount due on their premium notes, and the amount of all debts due to and from the company, to be laid before the policy-holders at such annual meeting; and a copy thereof shall be printed in some newspaper published in the county, if any, otherwise in the state paper; but no such company, having an accumulated fund for the payment of losses, is required to publish the names of its debtors.

SEC. 32. The salary or compensation for services of the directors, treasurer, and secretary, shall be fixed by the policy-holders at their annual meeting, and no policy-holder or other person is allowed more than fifteen votes by proxy.

SEC. 33. Whenever the directors of a mutual fire insurance company, or a mutual marine insurance company, make an assessment, or call on its members for money, or by vote determine that there exists a necessity for such assessment or call, they, or any person interested in the company as an officer, policy-holder, or creditor, may apply to the supreme judicial court for any county, by a petition in the nature of a bill in equity, praying the court to examine said assessment or call, or to determine the necessity therefor, and all matters connected therewith, and to ratify, amend or annul the assessment or call, or to order that the same be made as law and justice may require; *provided*, that such application, when made by any party except the corporation, or a receiver, or the insurance commissioner, shall rest in the discretion of the court. And whenever the directors unreasonably neglect to make an assessment or call, to satisfy an admitted or ascertained claim upon the company, any judgment creditor, or any person holding such admitted or ascertained claim, or the insurance commissioner, may make the application. Upon such application, if made by the directors, or upon order of court, if made by application of any other party, the directors shall set forth the claims against the company, its assets, and all other facts and particulars appertaining to the matter.

SEC. 34. The court before which such petition is filed, shall order notice to all parties interested, by publication or otherwise, and the petition may be filed in vacation, in which case the order of notice may be made by any justice of the court; and upon the return thereof, the court shall proceed to examine the assessment or call, the necessity therefor, and all matters connected therewith; any parties interested may appear

and be heard thereon, and all questions that may arise shall be heard and determined as in other equity cases. The court may refer the apportionment or calculation to any competent person, and upon the examination may ratify, amend or annul the assessment or call, or order one to be made. In case the assessment or call is altered or amended, or one is ordered, the directors shall forthwith proceed to vote the same in legal form, and the record of such vote shall be set forth in a supplemental bill or answer.

CHAP. 49.

—may refer apportionment.

—assessments altered or amended, proceedings in case of.

SEC. 35. Whenever the court appoints a master or auditor to make the apportionment or calculation for an assessment under the foregoing provisions, such master or auditor shall appoint a time and place to hear all parties interested in the assessment or call, and shall give personal notice thereof, in writing, to the insurance commissioner, and through the post office, or in such other manner as the court directs, so far as he is able, to all persons liable upon said assessment or call. Said auditor or master shall hear the parties, and make report to the court of all his doings respecting such assessment or call, and all matters connected therewith, and all parties interested in such report or assessment have a right to be heard by the court, respecting the same, in the same manner as is above provided.

Time and place for hearing parties, appointment of.
1873, c. 20, § 3.

—auditor shall hear parties, and report to the court.
—right of parties to be heard.

SEC. 36. When an assessment or call has been so ratified, ascertained, or established, a decree shall be entered which shall be final and conclusive upon the company and all parties liable to the assessment or call as to the necessity of the same, the authority of the company to make or collect it, the amount thereof, and all formalities connected therewith. And where an assessment or call is altered or amended by vote of directors and decree of the court thereon, such amended or altered assessment or call is binding upon all parties who would have been liable under it as originally made, and in all legal proceedings shall be held to be such original assessment or call. All proceedings above provided for shall be at the cost of the company, unless the court for cause otherwise orders; and in all cases the court may control the disposal of the funds collected under these proceedings, and may issue all necessary processes to enforce the payment of such assessments against all persons liable therefor.

Assessment, when final.
1875, c. 20, § 4.

—if amended, to be made final.

—costs, how paid.
—control of funds and payment of assessments, how enforced.

SEC. 37. Whenever it shall appear to the presiding justice of the court before which such petition is pending, that the net proceeds of any assessment or call will not be sufficient to furnish substantial relief to those having claims against the company, he may decree that no assessment shall be collected; and when, on application of the insurance commissioner, or any person interested, said justice is of opinion that further attempts to collect an assessment then partially collected will not benefit those having claims against the company, he may stay its further collection.

Assessment not sufficient, collection may be stayed by court.
1875, c. 20, § 5.

ORGANIZATION OF INSURANCE COMPANIES UNDER GENERAL LAW.

SEC. 38. 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, either upon the stock or mutual principle, against loss or dam-

Insurance companies, how established.
1876, c. 144, § 1.

CHAP. 49.

—rights,
powers and
privileges.

Articles of
agreement,
what they
must set
forth.
1876, c.144, § 2.

—location,
capital
stock, &c.

—capital at
least
\$100,000.

How any
mutual
insurance
company may
be organized.
1876, c.144, § 3.

—policies,
when to be
issued.

New com-
panies, when
to issue
policies.
1876, c.144, § 4.

May adopt a
company
name.
1876, c.144, § 5.

—when
insurance
commissioner
may object
to name.

First
meeting,
how called.
1876, c.144, § 6.

Organization
shall be
effected.
1876, c.144, § 7.
—clerk.
—by-laws.
—directors.

age by fire, lightning, tempest, or the perils of the sea, and other perils usually insured against by marine insurance companies, including risks of inland navigation and transportation, shall, upon complying with section forty-six, become and remain a corporation with all the powers, rights and privileges, and subject to all the duties, liabilities and restrictions set forth in all general laws, relating to insurance corporations.

SEC. 39. 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.

SEC. 40. Any mutual insurance company may be organized under the provisions of sections thirty-eight to fifty inclusive, with a guarantee capital of not less than one hundred thousand dollars, divided into shares of one hundred dollars each; and no policy shall be issued by such corporation until one fourth, at least, of its guarantee capital has been paid in, in cash, and invested as provided in section eight.

SEC. 41. No policy shall be issued by a purely mutual company until applications have been made in good faith, for insurance to the amount of thirty thousand dollars; and no policy shall be issued by a stock company until its capital stock has been paid in, in cash, and invested as provided in section eight.

SEC. 42. Any name not previously in use by an existing corporation or company may be adopted, *provided*, that the words "insurance" or "mutual insurance," as the business is to be conducted, constitute a part of such title. The commissioner may refuse his certificate hereinafter provided, until the adoption of a different name, if, in his judgment, the name adopted too closely resembles the name of an existing corporation or company, or is likely to mislead the public.

SEC. 43. The first meeting for the purpose of an organization shall be called by a notice signed by one or more of the subscribers to such agreement, stating the time, place and purpose thereof, a copy of which notice shall seven days at least before the day appointed be given to each subscriber, left at his usual place of business or residence, or deposited in the post office, prepaid, and addressed to him at his usual place of business or residence. Such notice shall be proved by affidavit of the person giving it.

SEC. 44. At such first meeting, including any adjournment thereof, an organization shall be effected by the choice by ballot of a temporary clerk, who shall be sworn to the faithful discharge of his duties; by the adoption of by-laws consistent with the constitution and laws of the state, and by the election in the manner provided by law, of directors and such other officers as the by-laws require, but at such first meeting no person

shall be a director who has not subscribed to the articles of association. The temporary clerk shall record the proceedings until and including the qualification of the secretary of the corporation by his being sworn. No organization shall be effected at any such meeting or its adjournment, unless a majority of the subscribers to the articles of agreement and association are present and vote.

SEC. 45. The directors so chosen shall elect a president, a secretary, and other officers which under the by-laws they are authorized to choose.

SEC. 46. The president, secretary and a majority of the directors shall forthwith make, sign and swear to a certificate setting forth a copy of the articles of association, with the names of the subscribers thereto, the date of the first meeting, and of any adjournment thereof, and shall submit such certificate and the records of the corporation to the inspection of the insurance commissioner, who shall examine the same, and may require such other evidence as he may deem necessary. The commissioner, if it appears that the requirements of the two preceding sections have been complied with, shall certify that fact and his approval of the certificate by indorsement thereon. Such certificate shall thereupon be filed in the office of the secretary of state by said officers, and upon being paid by them the fee hereinafter provided, the secretary shall cause the same, with the indorsement thereon, to be recorded, and shall thereupon issue to said corporation a certificate in the following form :

"STATE OF MAINE.

Be it known, that whereas" [names of subscribers to the association] "have associated themselves with the intention of forming a corporation, under the name of —, for the purpose" [here the purpose declared in the articles of association shall be inserted,] "with a capital stock of \$—, and have complied with the provisions of the statutes of the state in such case made and provided, as appear from the certificate of the president, secretary and directors of said corporation, duly approved by the insurance commissioner and recorded in this office: Now, therefore, I, —, Secretary of the State of Maine, hereby certify that" [subscribers' names] "their associates and successors, are legally organized and established as, and are hereby made, an existing corporation under the name of the — company, with all the powers, rights and privileges, and subject to the duties, liabilities and restrictions which by law appertain thereto. Witness my official signature, hereunto subscribed, and the seal of the State of Maine hereunto affixed, this — day of —, A. D., 18—." (In case of purely mutual companies, so much as relates to capital stock shall be omitted.)

The secretary of state shall sign the same, and cause the seal of the State to be thereto affixed, and such certificate shall have the force and effect of a special charter, and be conclusive evidence of the organization and establishment of such corporation. Said certificate shall be duly recorded in the office of the secretary of state, and a duly authenticated copy of such record may be used in evidence, with like effect as the original certificate.

CHAP. 49.

—clerk to record proceedings.
—majority of subscribers is necessary to form organization.

President, secretary, &c. 1876, c. 144, § 8.

Certificate of articles of association to be subscribed and sworn to. 1876, c. 144, § 9.
—to be submitted to insurance commissioner.

—to be approved by commissioner, and filed and recorded in the office of secretary of state.

—form of certificate of organization.

—certificate to be recorded in office of secretary of state.

CHAP. 49.

Capital stock, how increased. 1876, c. 144, § 10.
 —company shall present certificate to insurance commissioner.
 —certificate to be subscribed and sworn to.
 —company, when authorized to transact business on increased capital.

Fees. 1876, c. 144, § 11.
 Rate of dividends. 1876, c. 144, § 13.
 —certificate of profits.
 —capital stock to be increased by amount of certificates issued.
 —insurance commissioner to certify amount of capital stock.

Office and meetings to be in state, and majority of directors citizens. 1881, c. 57, § 1.

Assignee of policy may sue in his own name. 1873, c. 148, § 6. 69 Me., 411.

Lien of mortgagee upon policy. R.S., c. 49, § 32.

SEC. 47. Any stock insurance company may, at a meeting called for the purpose, increase the amount of its capital stock, and the number of shares therein, and within thirty days after the payment and collection of the last instalment of such increase, shall present to the insurance commissioner a certificate setting forth the amount of such increase, and the fact of such payment, signed and sworn to by the president, secretary and a majority of the directors of such corporation. The insurance commissioner shall examine the certificate and ascertain the character of the investments of such increase, and, if the same conforms to law, shall indorse his approval thereon, and such certificate shall then be filed with the secretary of state, and thereupon the company shall be authorized to transact business upon the capital so increased, and the insurance commissioner shall issue his certificate to that effect; and any mutual insurance company with a guarantee capital, may increase it in the same manner.

SEC. 48. The fees of the secretary of state for the services required in the two preceding sections are twenty and ten dollars, respectively.

SEC. 49. No stock insurance company organized under the laws of this state, shall declare cash dividends exceeding in amount six per cent. semi-annually on their capital stock; but any such company may issue, pro rata to its stockholders, certificates of such portion of its profits and income as the directors from time to time determine, not including therein any portion of the premium money of risks not terminated, and after providing for all expenses, losses and liabilities then incurred; and the capital stock of such company shall be increased by the amount of the certificates of stock so issued; and whenever any increase of capital stock is made by any insurance company under the two preceding sections, a certificate thereof shall be filed with the insurance commissioner, who shall certify to the amount of the capital stock of the company so increased, as provided in section forty-seven.

SEC. 50. All insurance companies incorporated and organized under the laws of this state, shall have their principal place of business in some city or town in the state, and a majority of its directors shall be citizens of the state. The meetings of the directors shall be held in the state.

RIGHTS OF ASSIGNEES.

SEC. 51. The assignee of any policy, the assignment of which has been assented to by the company or its agent, may sue the company on the policy in his own name, and all sums due thereon, may be recovered in such suit, subject to any defence existing against the original party; the assignee so suing shall hold the judgment or its proceeds subject to the claims and equities of any other parties interested therein.

LIEN OF MORTGAGEES.

SEC. 52. The mortgagee of any real estate shall have a lien upon any policy of insurance against loss by fire procured thereon by the mortgagor, to take effect from the time he files with the secretary of the com-

pany a written notice, briefly describing his mortgage, the estate conveyed thereby, and the sum remaining unpaid thereon. If the mortgagor, by a writing by him signed, and filed with the secretary, consents that the whole of the sum secured by the policy, or so much as is required to discharge the amount due on the mortgage at the time when a loss occurs, shall be applied to the payment of the mortgage, it shall be so paid by the company, and the mortgagee's receipt therefor shall be a sufficient discharge of the company.

SEC. 53. If the mortgagor does not so consent, the mortgagee may, at any time within sixty days after a loss, enforce his lien by a suit against the mortgagor, and the company as his trustee, in which judgment may be rendered for what is found due from said company upon the policy, notwithstanding the time of payment of the whole sum secured by the mortgage has not arrived.

SEC. 54. The amount so recovered shall be applied first to the payment of the costs of the suit and officer's fees on the execution, and next to the payment of the amount due on the mortgage; and the balance, if any, shall be retained by the company and paid to the mortgagor. If the company assumes the defence, it shall be liable to the plaintiff for costs in the same manner as the principal defendant, defending the suit, would be.

SEC. 55. When two or more mortgagees claim the benefit of the three preceding sections, their rights shall be determined according to the priority of their claims and mortgages by the principles of law.

SEC. 56. When any mortgagee claims the benefit of said sections, any policy of insurance, which he had procured or subsequently procures on his interest in the same property by virtue of his mortgage, is void, unless consented to by the company insuring the mortgagor's interest.

SECURITIES DEPOSITED WITH THE TREASURER OF STATE.

SEC. 57. When any company, incorporated in this state, desires to deposit any portion of its stocks or other securities with any officer of the state, as a pre-requisite to the establishment of agencies in any other state in compliance with the law thereof, the treasurer of state shall receive such stocks or other securities and hold the same on deposit and in trust for the benefit of all the policy-holders in said company.

SEC. 58. Said treasurer shall then furnish such company with a certificate or certificates of the fact, in his official capacity, embracing the items of the security so deposited, the amount and par value of each, and his opinion of their value.

SEC. 59. He shall hold such securities on deposit in accordance with these provisions, but such company may receive and collect the interest or dividends thereon, and withdraw them, from time to time, on depositing in their place others of like character and value, to be determined by the treasurer.

SEC. 60. Said treasurer on being satisfied of the repeal or alteration of the law of such other state, disqualifying such company from continuing its business therein, shall return the securities on demand.

SEC. 61. When such company desires to relinquish its business out

CHAP. 49.

29 Me., 339.
45 Me., 453.
47 Me., 237.
51 Me., 71.
52 Me., 123.
64 Me., 217.
68 Me., 364.

How enforced, if mortgagor does not consent.
R.S., c. 49, § 33.
64 Me., 217.

How amount recovered in suit is to be applied.
R.S., c. 49, § 34.

—costs.

Priority of mortgages, how determined.
R.S., c. 49, § 35.

Claims of mortgagee, when to be void.
R.S., c. 49, § 36.
45 Me., 453.

Insurance companies may deposit securities with treasurer of state.
R.S., c. 49, § 37.

Treasurer, to furnish certificate thereof.
R.S., c. 49, § 38.

Interest or dividends, collected by company; securities, how withdrawn.
R.S., c. 49, § 39.

When to be returned to company.
R.S., c. 49, § 40.

When securities to be

CHAP. 49. of the state, said treasurer, on application thereof and on the oath of the president and secretary, that its assets are ample to meet all the existing demands against it, shall deliver up its securities.

returned
to company
R.S., c. 49, § 41.

Duty of
treasurer in
case of fail-
ure of the
company.
R.S., c. 49, § 42.

SEC. 62. If any such company fails, while its securities are so on deposit, said treasurer shall demand of its secretary or clerk, and he shall furnish a full and complete list of the names and residences of all policy-holders and others having claims upon the company; and they shall be notified forthwith through the post office by said treasurer, of the condition of the company; and he shall state in the notice, that the securities held by him will be disposed of, and the proceeds, after paying expenses, paid over in a ratable proportion upon their claims properly authenticated, and the time when such dividend will be made; but nothing in the foregoing provisions imposes any liability on the State on account of any delinquency of said treasurer.

Treasurer's
fees.
R.S., c. 49, § 43.

SEC. 63. Such company, when so depositing its securities, shall pay to said treasurer five dollars for each certificate granted by him; and in case of proceedings under the preceding section, said treasurer shall retain, as compensation for the services thereby required of him, two per cent. on the amount received and disbursed by him.

THE APPOINTMENT, TENURE OF OFFICE, POWERS, DUTIES AND COMPENSATION OF THE INSURANCE COMMISSIONER.

Commis-
sioner, ap-
pointment,
term, and
duties of.
1883, c. 236, § 1.
See c. 115, § 1.

SEC. 64. An insurance commissioner shall be appointed by the governor and council, who shall hold his office for three years, unless sooner removed, but shall not at the same time be examiner of banks. His office shall be at the state capitol during the session of the legislature. He may administer oaths in the performance of his official duties, in any part of the state and at any time. He shall keep a correct account of all his doings, and of all fees and moneys received by him, by virtue of his office, pay over the same to the treasurer of state quarterly, and at the same time settle his accounts with the governor and council. He shall give bond to the treasurer, in the sum of five thousand dollars, for the faithful discharge of his duties.

—quarterly
settlement.

—bond.

He shall
examine
domestic
insurance
companies,
and may
require the
production
of books and
papers, and
may ask
questions of
officers.
R.S., c. 49, § 45.
—penalty for
refusing to
comply.

SEC. 65. He shall annually examine or cause to be examined, every domestic stock insurance and mutual life insurance company, in order to ascertain its ability to meet its engagements and do a safe insurance business; and shall make such other examinations as he regards necessary for the safety of the public or the holders of policies. 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 and affairs; and any officer who refuses to produce any such book or papers upon his demand, or to be sworn, or to answer any such questions, forfeits not exceeding two hundred dollars.

New compan-
ies to organ-
ize in two
years, or
charter void.
R.S., c. 49, § 46.
—not to do
business
without
license from

SEC. 66. Every such company shall organize within two years after its charter is granted, or its charter shall be void; and upon such organization it shall inform the commissioner thereof. No such company shall commence business by issuing policies, until the commissioner has examined and ascertained that it has complied with the terms of its charter, paid in its capital stock, and become qualified to act; and he

shall then issue to it his certificate of that fact, for which service he shall receive from it twenty dollars and all travelling expenses; and annually thereafter upon examination, so long as the same is found solvent and responsible to do business, he shall issue to it a like certificate and receive a like fee.

SEC. 67. If on examination the commissioner thinks that any domestic insurance company is insolvent, or that it is in such a condition as to render its further proceedings hazardous to the public or its policy holders, he shall apply to a justice of the supreme judicial court to issue an injunction restraining the company in whole or in part from proceeding further with its business. Any justice of said court may thereupon, either with or without notice, issue such temporary injunction, or if on notice, such temporary or permanent injunction, as he thinks proper, either of which he may afterwards modify, vacate or perpetuate, and may pass such orders and decrees, appoint receivers to receive the assets of the company, and masters, and do any other act conformable to the general rules of chancery practice which in his opinion is requisite for the safety of the public and for the best interests of all parties concerned, all which orders and decrees he may in like manner enforce. All such proceedings shall be at once made known to the clerk of the courts for the county, who shall enter them on his docket, place them on file and record them in the records of the court. The clerk's fees shall be audited and allowed by the court, and paid from the assets of the company.

SEC. 68. No bill in equity, or other proceedings for the appointment of a receiver of a domestic life insurance company, or to wind up its affairs, shall be maintained by any other person than the insurance commissioner. If it appears to the commissioner that the assets of such company are less than its liabilities, reckoning the net value of its policies according to the combined experience or actuaries' rate of mortality, with interest at six per cent. a year, he shall suspend the right of such company to do business, and apply to a justice of the supreme judicial court to proceed as provided in the preceding section; but if it appears that the assets are greater than its liabilities, computed as aforesaid, such proceedings shall not be commenced, or, if commenced, they shall be dismissed, and the company allowed to resume the transaction of business.

SEC. 69. Whenever, after setting aside a sum equal to the full amount of premiums on outstanding marine risks, together with one half of all premiums on existing fire and inland risks, the net assets of any insurance company with a specific capital, 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 the place where such company is located; and the proceeds of sale, after deducting expenses and the assessments due on such shares, shall be paid to the owner or his

CHAP. 49.

commis-
sioner.
—annual
renewal of
license.

When the
commission-
er thinks any
domestic
company
insolvent, he
shall apply
for an
injunction.
—proceed-
ings thereon.
R.S., c. 49, § 48.

—clerk's fees,
how paid.

Proceedings
for appoint-
ment of re-
ceiver of life
company, to
be main-
tained only
by com-
missioner.
1878, c. 54.

—he shall
suspend the
right of
insolvent
company to
do business.
See § 81.

—if solvent,
proceedings
shall be
dismissed.

Capital stock
shall be
restored by
assessment
to the legal
amount.
1873, c. 148, § 1.

—shares shall
be sold for
non-payment
of assess-
ments.

—notice of
sale.

—proceeds of
sale.

CHAP. 49.
—proviso.

—capital stock may be reduced.

Insurance companies, proceedings against, for non-compliance with this chapter. 1873, c. 148, § 2.

Foreign insurance companies required to restore their capital to the legal amount. 1873, c. 148, § 3.

—proceedings, in case of neglect.

No foreign insurance company shall do business in the state, without exhibiting its financial condition to the commissioner, and receiving a license from him; to be annually renewed. R.S., c. 49, § 49. 70 Me., 544.

—fees.

No one shall act as agent of an insurance company, without filing his power of attorney with the commissioner, and receiving a license.

R.S., c. 49, § 50. See c. 6, § 62. 61 Me., 335. 70 Me., 544.

—fees of commissioner.

—policy issued without license, valid. —penalty.

representative; *provided*, that whenever the capital stock of any insurance 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 cancelling its shares pro rata to the number thereof, or it may reduce the par value of its shares, or such company may thus reduce its capital stock and also assess as hereinbefore provided; but no such company shall reduce its capital stock, as aforesaid, more than twenty per cent. thereof, nor to a sum less than one hundred thousand dollars.

SEC. 70. Any insurance company incorporated in the state, having a specific capital, which does not within three months after receiving notice from the insurance commissioner that its capital is thus impaired, satisfy him that it has fully complied with the law relating thereto, shall be proceeded against according to section sixty-seven.

SEC. 71. Whenever, after setting aside a sum equal to that required by the two preceding sections, the cash assets of any foreign insurance company having a specific capital, doing business in this state, do not amount to more than three fourths of its legal capital, the company shall, by assessing its stock for the difference, or in some other way, restore its capital to the legal amount, and unless it does so within three months after notice from the insurance commissioner, it shall no longer do business in the state, and the commissioner may thereupon proceed as provided in sections seventy-five and seventy-six.

SEC. 72. No foreign insurance company shall transact any insurance business in this state, unless it first obtains a license therefor from the commissioner. Before receiving such license, it shall furnish the commissioner with a certified copy of its charter and by-laws, with a statement under oath, signed by its president or secretary, showing its financial condition according to a form supplied by the commissioner. Upon receiving such copies and statement, the commissioner may grant a license, authorizing the company to do insurance business in this state subject to its laws, until the first day of the next July; and annually thereafter, such license may be renewed, so long as he regards the company responsible and safe, but in all cases to terminate on the first day of the succeeding July. For such license and each renewal, the company shall pay the commissioner twenty dollars.

SEC. 73. No person shall act as agent of an insurance company until he has filed with the commissioner a duplicate power of attorney from the company or its authorized agent, empowering him so to act. Upon filing such power the commissioner shall issue a license to him if the company is a domestic company or has received a license to do an insurance business in this state; and such license shall continue until the first day of the next July, and may be renewed from year to year on producing a certificate from the company that his agency is continued. For each such license or renewal, the commissioner shall receive one dollar. And if any person solicits, receives, or forwards any risk or application for insurance to any company, without first receiving such license, or fraudulently assumes to be an agent, and thus procures risks and receives money for premiums, he forfeits not more than fifty dollars for each

offence; but any policy issued on such application, binds the company, if otherwise valid. CHAP. 49.

SEC. 74. Any person may be licensed by the commissioner as broker to negotiate contracts of insurance, and to effect insurance for others than himself for a compensation, and by virtue of such license he may place risks or effect insurance with any company of this state, or with the agents of any foreign company who have been licensed to do business in this state, but with no other. For such license he shall pay five dollars, authorizing him thus to act until the first day of the next July; and on payment of a similar fee his license may be renewed from year to year, ending on the first day of each July. Whoever, without such license, assumes to act as such broker, forfeits not more than fifty dollars.

Commissioner may license insurance brokers. R.S., c. 49, § 51.

—fees.

—penalty for acting without license.

SEC. 75. When the commissioner thinks that any licensed foreign insurance company is in failing condition or unsafe, he may, on reasonable notice, suspend its right to do business in this state until such disability is removed. And if the company or any of its agents, after such suspension or the injunction mentioned in section sixty-seven, issues any new policies, such agent or company forfeits not exceeding two hundred dollars. And to enable the commissioner to act in the premises, he may require of such company a full statement of all its affairs bearing upon its responsibility, in the form prescribed by him.

When commissioner may suspend unsafe foreign companies. R.S., c. 49, § 52.

—penalty for doing business thereafter.

—he may require statement of their condition.

SEC. 76. When a foreign insurance company doing business in this state is dissolved, restrained or prohibited from doing business in the place where it is incorporated, and when under the preceding section the commissioner regards the proceedings advisable, he may apply to the supreme judicial court, or any justice thereof, either in term time or vacation, setting forth the facts, and thereupon the court or justice may appoint a receiver or receivers, to take possession of the assets of the company in this state, and collect, sell, or dispose of the same as the court or justice may decree, and divide the proceeds pro rata among such creditors in this state, as prove their claims before said court or justice before the dividend is made; and the balance, if any, shall be paid to the company or its assigns. The proceedings herein provided for, shall conform to section sixty-seven. The receivers may maintain an action for any such assets in their own names as receivers, subject to all equities existing between the original or previous parties.

When such companies are dissolved or restrained at home, or suspended by the commissioner, court may appoint receivers, who may maintain actions in their own names. R.S., c. 49, § 53.

SEC. 77. Every insurance company, doing business in the state, shall annually, by the thirty-first day of January, render to the commissioner either an exact statement, under oath, of its condition as it existed on the thirty-first day of the previous December, or its last exhibit, setting forth its condition as required by blanks furnished by the commissioner.

Domestic and foreign companies, their annual statement of condition. 1874, c. 208, § 1.

SEC. 78. The insurance commissioner, whenever he deems it necessary for the protection of policy-holders, shall visit and examine any insurance company, doing business by agencies in this state, but not incorporated therein. He may employ necessary assistants; all requisite expenses for such examination without the state, shall be borne by the company so examined; *provided*, that in relation to the affairs of any company incorporated by or organized under the laws of any of the

Insurance commissioner may examine foreign insurance companies doing business in the state. 1873, c. 148, § 7.

—may employ

CHAP. 49.

assistants.
—proviso.

He may
examine
books, papers
and officers of
any company
doing
business in
the state.
1873, c. 148, § 8.

—penalty, if
company
refuses to
submit.

Commissioner to preserve
condition of
every
company.
1881, c. 12, § 2.

—to make
annual report
and publish
condition of
companies.

Commis-
sioner may
suspend any
insolvent
foreign life
insurance
company.
R.S., c. 49, § 57.

—how it
may resume
business.

—penalty for
issuing
policies
afterwards.

Company
may appeal
from decision
of commis-
sioner sus-
pending its
business, to a
justice of the
supreme
court, whose
decision is
final.
R.S., c. 49, § 58.

Receivers,
their powers
and
proceedings.
1873, c. 148,
§ 10.

Fines, how

United States, it shall be optional with said commissioner to accept the certificate of the insurance commissioner or superintendent of the state where said company was organized, as to its standing and condition, or to proceed to investigate its affairs as hereinbefore provided.

SEC. 79. For the purposes aforesaid, the commissioner, or any person whom he may empower, shall have free access to all the books and papers of any insurance company doing business in the state, and may examine under oath its officers or agents relative to its business and condition. If any such company, its officers or agents, refuse to submit to such examination, or to comply with any provision of this chapter in relation thereto, the authority of such company to do business in the state shall be revoked until satisfactory proof is furnished to the commissioner that the company is in a sound and solvent condition.

SEC. 80. The commissioner shall preserve in a proper form, the statement of the condition of every company examined or caused to be examined by him, and all statements rendered to him as herein required; and shall annually report to the governor and council, and at once publish the general condition of all insurance companies doing business in the state, and such suggestions as he thinks proper in connection therewith, and shall prepare and publish as aforesaid an abstract of all returns and statements made to him by such companies.

SEC. 81. When the commissioner learns that the net cash funds of any foreign life insurance company doing business in this state, are not equal to its liabilities, including the net value of its policies according to the "combined experience or actuaries' rate of mortality," with interest at four per cent. a year, he shall give notice to such company and its agents, to cease issuing policies within the state. He may buy and use the life valuation tables adopted by the insurance department of Massachusetts, for all purposes of valuation. When he is satisfied that the funds of such company have become equal to its liabilities, valuing its policies as aforesaid, he shall give notice to such company and agents that its business may be resumed. If any officer or agent, after such notice of suspension is given, issues any new policy in behalf of such company, he forfeits for each offence not exceeding three hundred dollars; and the delivery of a policy in the state by mail or otherwise shall be deemed an issuing of such policy.

SEC. 82. When the commissioner suspends the operations of a company, or, on application, refuses to countermand such suspension, it may appeal to a justice of the supreme judicial court, by presenting to him a petition therefor in term time or vacation, and he shall fix a time and place of hearing which may be at chambers and in vacation, and cause notice thereof to be given to the commissioner; and after the hearing, he may affirm or reverse the decision of the commissioner; and the decision of such justice is final.

SEC. 83. Receivers appointed under this chapter, shall have the same power and rights of action, and the course of proceeding so far as applicable shall be the same, as is prescribed for receivers of banks in chapter forty-seven.

SEC. 84. Penalties provided by this chapter, may be recovered in

an action of debt in the name and to the use of the State. The county attorney for the county where the forfeiture is incurred, shall sue therefor at the direction of the commissioner.

CHAP. 49.
recovered.
R.S., c. 49, § 59.

INQUESTS INTO INSURANCE FRAUDS.

SEC. 85. On application in writing to the commissioner by an officer of any insurance company doing business in the state, stating that he has reason to believe and does believe that any person has, by false representations, procured from said company an insurance, or that the company has sustained a loss by the fraudulent act of the insured, or with his knowledge or consent, and requesting an investigation thereof, said commissioner, or such magistrate as he appoints, shall summon and examine, under oath, at a time and place designated by him, any persons, and require the production of all books and papers necessary for a full investigation of the facts, and make report thereof, with the testimony by him taken, to the company making such application. Such company shall pay the commissioner or magistrate his expenses for making such investigation and ten dollars a day for his services, and the fees of witnesses, to be taxed as in the supreme judicial court.

Investigation of insurance frauds by commissioner, or magistrate appointed by him, on application of an officer of any insurance company.
R.S., c. 49, § 60.

—fees therefor.

FOREIGN INSURANCE COMPANIES AND AGENCIES.

SEC. 86. The word "domestic," when used in this chapter, means companies incorporated by this state; and the word "foreign," means companies not so incorporated.

Definition of 'domestic' and 'foreign'.
R.S., c. 49, § 61.

SEC. 87. No foreign fire or marine insurance company shall be admitted to do business in the state unless it has a bona fide, paid up, unimpaired capital, if a stock company, of at least two hundred thousand dollars, well invested in or secured by real estate, bonds, stock or securities other than names alone, or if a mutual company, cash assets to the amount aforesaid; and no foreign life insurance company shall be so admitted unless it has a bona fide, paid up, unimpaired capital, if a stock company, of at least one hundred thousand dollars, well invested in or secured by real estate, bonds, stock, or securities other than names alone; or if a mutual company, cash assets to the amount aforesaid. And no stipulations or conditions shall deprive the courts of this state of jurisdiction of actions against such companies, nor limit the time of commencing them to a period of less than two years from the time when the cause of action accrues; *provided*, that this section does not apply to any foreign company admitted before March twenty-six, eighteen hundred and seventy-five.

Foreign fire and marine companies forbidden to do business in this state with capital less than two hundred thousand dollars.
1875, c. 44, §§ 1, 3.
67 Me., 183.
—foreign life insurance companies, capital required.

—jurisdiction of state courts.

—proviso.

SEC. 88. Every foreign insurance company doing business in this state, shall, annually, publish three weeks successively, in some daily or weekly paper printed in every county where it has a duly authorized agent, or takes policies, a condensed statement of its condition conformable to its last annual report to the commissioner; and any such company which neglects or refuses to publish such statement forfeits not less than fifty dollars.

Foreign insurance companies to publish annual statement of condition.
1883, c. 173.
—penalty in case of neglect.

SEC. 89. Any person having a claim against any foreign insurance company, may bring a trustee action or any other appropriate suit there-

Suits against foreign companies, where

CHAP. 49. for in the courts of this state. Service made on any authorized agent of said company shall be valid and binding thereon, and hold it to answer to such suit; and the judgment rendered therein shall bind the company as valid in every respect, whether the defendants appear or not. If no such agent can be found, such notice or service, served on the state insurance commissioner, who shall immediately notify said company, by mail, shall be as valid and binding on the company, as though served on its agent. Unless such judgment is paid within thirty days after demand made upon any such agent or commissioner, the commissioner may, on notice and hearing of the parties, suspend the power of the company to do business in this state, until it is paid. And if the company, or any agent thereof, issues any policy in the state during such suspension, said company and agent each forfeits not exceeding one hundred dollars; but any policy so issued is binding on the company in favor of the holder.

to be brought.
1876, c. 74.
56 Me., 420,
479.
69 Me., 411.
72 Me., 310.
—service on
agent, valid
against
company.
—judgment
binds
company.
—if no agent
is found,
service,
how made.
—company
suspended,
unless judg-
ment is paid
in 30 days.
—penalty.

Notices and
processes,
how served.
1874, c. 226.
69 Me., 411.
72 Me., 310.

—company
bound by
knowledge
of risk.

SEC. 90. All notices and processes which, under any law, by-law or provision of a policy, any person has occasion to give or serve on any such company, may be given to or served on its agent, or on the commissioner, as provided in the preceding section, with like effect as if given or served on the principal. Such agents and the agents of all domestic companies shall be regarded as in the place of the company in all respects regarding any insurance effected by them. The company is bound by their knowledge of the risk and of all matters connected therewith. Omissions and misdescriptions known to the agent shall be regarded as known by the company, and waived by it as if noted in the policy.

LIFE INSURANCE.

Life policies
issued after
Mar. 31, 1877,
forfeited for
non-payment
of premium
after being in
force three
years, and
containing no
surrender
provision.
how far
continued
in force.
1879, c. 164.
—how net
value of pol-
icy shall be
ascertained.

—after
deducting
from three
fourths of
such net
value any
indebtedness
to the com-
pany, what
disposal to be
made of the
balance.
—if the
policy is an
endowment,
proceedings.

SEC. 91. Every life insurance policy issued after March thirty-one, eighteen hundred and seventy-seven, by any company chartered by this state, which may be forfeited for non-payment of premiums, including all notes given for premiums or interest thereon, after it has been in force three full years, and which does not provide for a surrender value at least equivalent to the value arising under the terms of this and the following section, is nevertheless, continued in force to an extent, and for a period to be determined as follows, to wit: The net value of the policy, when the premium becomes due and is not paid, shall be ascertained according to the combined experience, or actuaries' rate of mortality, with interest at four per cent. a year; after deducting from three fourths of such net value any indebtedness to the company, or notes held by the company against the insured, which notes, if given for premiums, shall then be cancelled, what remains shall be considered as a net single premium of temporary insurance, and the term for which it will insure shall be determined according to the age of the party at the time of the lapse of the policy, and the assumptions of mortality and interest aforesaid; but if the policy is an endowment, payable at a certain time, or at death, if it should previously occur, then, if what remains, as aforesaid, exceeds the net single premium of temporary insurance for the balance of the endowment term for the full amount of the policy, such excess shall be

CHAP. 49.

considered as a net single premium or simple endowment, payable only at the same time as the original endowment, and in case the insured survives to such time; and the amount thus payable by the company shall be determined according to the age of the party at the time of the lapse of the policy, and the assumptions of mortality and interest aforesaid. But any such company may issue to a resident of any other state or country a policy conforming to the laws of such state or country and not subject to this section.

—such company not subject to this chapter in effecting insurance in other states.

SEC. 92. If the death of the insured occurs within the term of temporary insurance covered by the value of the policy, as determined in the preceding section, and if no condition of the insurance, other than the payment of premium has been violated by the insured, the company shall pay the amount of the policy as if there had been no lapse of premium, anything in the policy to the contrary notwithstanding; *provided, however*, that notice of the claim and proof of the death shall be submitted to the company, in the same manner as provided by the terms of the policy, within ninety days after the death; *provided, also*, that the company may deduct from the amount insured in the policy the amount, compounded at seven per cent. a year, of all the premiums that had been forborne at the time of the death, including the whole of the year's premium in which the death occurs.

In case of death during term of temporary insurance company to pay amount of policy. 1877, c. 185, § 2.

—proviso.

SEC. 93. No life insurance company organized or incorporated under the laws of this state, shall re-insure its risks except by permission of the insurance commissioner; but nothing in this chapter shall be construed to prevent any life insurance company from re-insuring a fractional part, not exceeding one half of any individual risk.

Not to re-insure risks, except by permission of commissioner. 1878, c. 34.

SEC. 94. Life and accident policies, and the money due thereon are exempt from attachment, and from all claims of creditors, during the life of the insured, when the annual cash premium paid does not exceed one hundred and fifty dollars; but when it exceeds that sum, and the premium was paid by the debtor, his creditors have a lien on the policies for such sum over one hundred and fifty dollars a year, as the debtor has paid for two years, subject to any pledge or assignment thereof made in good faith.

Policies are exempt from attachment. 1881, c. 17. See c. 75, § 10.

—lien of creditor.

CHAPTER 50.

TOLL BRIDGES.

- SEC. 1. Military companies may pass over toll bridges free; also persons going to or returning from funerals, or worship on the Lord's day.
2. Persons exempted, to give toll gatherer name and place of abode, on request. Forfeiture for refusal, or for giving false information.
3. Restrictions on weight of teams and droves of cattle and horses.
4. Penalty for delaying passengers.
5. Only two persons and children to pass in a carriage toll free.