

§3020. Policy and deposit note one contract; insolvency; liability of insured; note surrendered

1. A policy of insurance issued by a fire or marine insurer, domestic or foreign, and a deposit note given therefor are one contract. A loss under such policy or other equitable claims may be proved in defense to the note, though it was indorsed or assigned before it was due.

[PL 1969, c. 132, §1 (NEW).]

2. When an insurer becomes insolvent, the maker of the note is only liable for the equitable proportion thereof that accrued during the solvency. If the insolvency occurs within 60 days of the date of the note, it is void except for the amount of the maker's claim, if any, on the insurer. An insured may not be held to contribute to any losses or expenses beyond the amount of the insured's deposit note. At the expiration of the insured's term of insurance, the insured's note, on payment of all assessments for which it is liable, must be relinquished to the insured, except as provided in section 3021.

[RR 2021, c. 1, Pt. B, §263 (COR).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). RR 2021, c. 1, Pt. B, §263 (COR).

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