
By Mr. Sullivan of Springfield, petition of Warren G. Reed for legislation relative to increase in capital of insurance companies. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Eight.

AN ACT WITH REGARD TO INCREASE IN CAPITAL OF INSURANCE COMPANIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 The second sentence of section 70 of chapter 175 of the General
2 Laws, as most recently amended by section 4 of chapter 320 of
3 the acts of 1954, and the third, fourth and fifth sentences of
4 said section 70 of said chapter 175 of the General Laws, are
5 hereby amended to read as follows: — If a company shall vote
6 to increase its capital in the second of the two ways set forth in
7 the preceding sentence, the increase in the amount and number
8 of shares of capital stock may, at the discretion of the directors,
9 be disposed of in whole or in part without being offered to the
10 stockholders. In the event the directors decide that the new
11 issue, or a part of it, is to be offered to the stockholders, the
12 directors shall fix the price per share, in respect of shares with
13 par value at not less than par, and in respect of shares without
14 par value at not less than its stated portion of authorized capital,
15 at which, and the time, not less than thirty days after the date
16 of such vote to increase, within which the new stock may be
17 taken by the stockholders, and the directors shall forthwith give
18 written notice to each stockholder who was such at the time of
19 the vote to increase, stating the amount of the increase, the
20 number of shares or fractions of shares of new stock that such
21 stockholder is entitled to take, the price at which and the time
22 within which such new stock may be taken; within said time
23 each stockholder may take, at the price fixed as aforesaid, his

24 proportion of such new shares at the date of such vote to in-
 25 crease; provided, that if at the expiration of such time any
 26 shares remain untaken, the directors may sell the same for the
 27 benefit of the corporation in such manner and for such price,
 28 not less than the price fixed as aforesaid, as they may determine