

# SENATE . . . . No. 310

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To accompany the petition of Harry P. Abromson for legislation to regulate the issuance of policies by certain mutual liability insurance companies. Insurance.

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Thirty-Nine.

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### AN ACT REGULATING THE ISSUANCE OF POLICIES BY CERTAIN MUTUAL LIABILITY INSURANCE COMPANIES.

1 *Whereas*, The deferred operation of this act would  
2 cause great inconvenience and expense, therefore it is  
3 hereby declared to be an emergency law, necessary  
4 for the immediate preservation of the public con-  
5 venience.

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

1 Section ninety-three of chapter one hundred and  
2 seventy-five of the General Laws, as appearing in  
3 the Tercentenary Edition, is hereby amended by  
4 striking out the first paragraph thereof and insert-  
5 ing in place thereof the following two paragraphs:—  
6 No policy shall be issued by a mutual company  
7 formed to transact business under any one or more  
8 of the several subdivisions of the sixth clause of sec-  
9 tion forty-seven and incorporated subsequent to  
10 January first, nineteen hundred and thirty- , until

11 it has established a fully paid-up guaranty capital  
12 of not less than one hundred thousand dollars, which  
13 shall be subject to the provisions of section seventy-  
14 nine, except as hereinafter and in section ninety-  
15 three D provided, nor, if it proposes to transact  
16 business under subdivision (e) of said sixth clause of  
17 section forty-seven, until it has made arrangements  
18 satisfactory to the commissioner, by reinsurance, as  
19 provided in section twenty, to protect it from ex-  
20 traordinary losses caused by any one disaster.

21 No such mutual company, during its first five years  
22 of operation, shall be permitted to issue motor vehicle  
23 policies, as defined in section thirty-four A of chapter  
24 ninety, in an aggregate amount of premiums in ex-  
25 cess of five times its fully paid-up guaranty capital.