

the following:— *Section 13.* Upon a petition in writing addressed to said commissioners requesting that certain real estate, accurately described therein, located in said town and abutting on said district as described in section one, or as subsequently enlarged under authority of this section, and not otherwise served by a public water supply, be included within the limits of said district, such petition being signed by the owners of such real estate, or of a major portion of such real estate, said commissioners shall cause a duly warned meeting of the district to be called, at which meeting the voters may vote on the question of including such real estate within the district. If a majority of the voters present and voting thereon vote in the affirmative the clerk of the district shall, within ten days, file with the town clerk of said town and with the state secretary an attested copy of said petition and vote; and thereupon said real estate shall become and be part of the district and shall be holden under this act in the same manner and to the same extent as the real estate described in said section one.

SECTION 2. For the purpose of meeting the expense of laying mains and pipes the Chelmsford Water District may borrow from time to time such sums as may be necessary, not exceeding, in the aggregate, fifteen thousand dollars, and may issue bonds or notes therefor, which shall bear on their face the words, Chelmsford Water District Loan, Act of 1938. Each authorized issue shall constitute a separate loan, and such loans shall be payable in not more than fifteen years from their dates. Indebtedness incurred under this act shall be subject to all pertinent provisions of chapter forty-four of the General Laws.

SECTION 3. This act shall take effect upon its passage.

Approved April 14, 1938.

AN ACT RELATIVE TO THE PAYMENT OF THE CASH SURRENDER VALUE OF CERTAIN POLICIES OF LIFE OR ENDOWMENT INSURANCE ISSUED BY DOMESTIC LIFE INSURANCE COMPANIES, AND PERMITTING SUCH COMPANIES TO MAKE EXTENDED TERM INSURANCE THE AUTOMATIC NON-FORFEITURE BENEFIT UNDER CERTAIN POLICIES OF LIFE OR ENDOWMENT INSURANCE. Chap. 209

Be it enacted, etc., as follows:

SECTION 1. Section one hundred and forty-four of chapter one hundred and seventy-five of the General Laws, as amended by section three of chapter one hundred and one of the acts of nineteen hundred and thirty-three, is hereby further amended by striking out the first three paragraphs, as appearing in the Tercentenary Edition, and inserting in place thereof the four following paragraphs:—

After three full annual premiums have been paid on any policy of life or endowment insurance issued by a domestic life company after December thirty-first, nineteen hundred

G. L. (Ter. Ed.), 175, § 144, etc., amended.

Cash surrender value of certain insurance policies.

Extended term
insurance.

and seven, the holder thereof, within thirty days after any default in the payment of a subsequent premium, may elect, by a writing filed with the company at its home office, (a) to surrender the policy and receive its value in cash, or (b) take paid-up insurance which shall be participating if the policy is on a participating basis, payable at the same time and on the same conditions as in the original contract, or (c) have the policy continued in force as extended term insurance from the anniversary date last passed for its face amount, including any outstanding dividend additions and less any indebtedness thereon or secured thereby, but without the right to loans; provided, that a policy whose proceeds are payable in instalments or as an annuity may provide that if either option (b) or (c) becomes operative the proceeds of the policy shall be payable in one sum. The cash surrender value shall be the reserve on the policy at the end of the last policy year for which the premium was paid in full, plus a proportionate part of the increase in the cash value at the end of the succeeding year if any instalment not less than a quarterly instalment of the premium for that year has been paid, and of any dividend additions thereto, computed on the mortality and interest assumption upon which the company elects to reserve as prescribed by section nine, less a surrender charge of not more than five per cent of the present value of the future net premiums, which by its terms the policy is exposed to pay in case of its continuance, computed upon the aforesaid mortality and interest basis, and less any existing indebtedness to the company on the policy or secured thereby. The company may reserve the right to defer the payment of such cash value for not exceeding ninety days after the application therefor is made. The term for which the policy will be continued or the amount of the paid-up policy will be such as the cash value will purchase as a net single premium at attained age of the insured according to the mortality and interest basis heretofore designated. But in case of an endowment policy, if the sum applicable to the purchase of extended term insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in the policy, the excess shall be used to purchase in the same manner non-participating paid-up pure endowment, payable at the end of the endowment term on the same conditions.

If the holder shall not within thirty days from default surrender the policy to the company for cash as provided in option (a), or elect, by a writing filed with the company at its home office, to take paid-up insurance as provided in option (b), or to take extended term insurance as provided in option (c), the insurance will be binding upon the company from the date of default without any further stipulation or act as provided in option (b), unless the policy provides that it shall be binding as aforesaid as provided in option (c). The paid-up or the extended term insurance granted by the terms of the policy shall have a cash sur-

render value which shall be its net value less any indebtedness to the company on account of such policy or secured thereby, and the holder thereof may, within ninety days of the application therefor, claim and receive in cash such surrender value.

Every such policy which by its terms has become paid up shall have a cash surrender value which shall be its net value, less not more than five per cent of one net annual premium on a ten payment life policy at the age of entry of the insured, and less any indebtedness to the company on such policy or secured thereby; and the holder thereof may, within ninety days of the application therefor, claim and receive in cash such surrender value.

Nothing in this section shall be construed to prohibit the inclusion of a provision in a policy that the cash surrender value shall be payable with the written assent of the person to whom the policy is payable.

SECTION 2. Section one hundred and forty-seven of said chapter one hundred and seventy-five, as so appearing, is hereby amended by striking out, in the tenth and eleventh lines, the words “, with the written assent of the person to whom it is payable,” and by striking out, in the nineteenth and twentieth lines, the words “, with the written assent of the person to whom the policy is payable,” and by adding at the end the following new sentence:— Nothing in this section shall be construed to prohibit the inclusion of a provision in a policy that the cash surrender value shall be payable with the written assent of the person to whom the policy is payable, — so as to read as follows:— *Section 147.* After premiums have been paid for five full years upon any such policy of industrial insurance, the holder thereof, in case of any default in the payment of a subsequent premium, may, by writing filed with the company at its home office, within the term of extension and not later than thirteen weeks from the date to which premiums have been paid, elect in lieu of extended term insurance, (1) to surrender the policy to the company and receive in exchange therefor a paid-up policy of not less value according to the mortality and interest basis aforesaid, payable at the same time and on the same conditions as the original policy, or (2) to surrender the policy and receive its value in cash within sixty days after the demand therefor. Said cash surrender value shall be equal to the net single premium computed in the manner provided in the preceding section in the case of extended insurance. Any such policy of industrial insurance which shall, after five years from its original date of issue, become extended term insurance or a paid-up policy shall have a cash surrender value which shall be its net value at the date of the application therefor, less any indebtedness to the company then existing thereon or secured thereby, which the holder thereof may claim and receive in cash within sixty days after written demand therefor. Nothing in this section shall be construed to prohibit the inclusion of a provision in a policy

G. L. (Ter. Ed.), 175, § 147, amended.

Paid up policy, etc.

that the cash surrender value shall be payable with the written assent of the person to whom the policy is payable.

Effective
as to exist-
ing policies.

SECTION 3. Any domestic life insurance company may, upon the written request of the holder of any policy of life or endowment insurance, described in section one hundred and forty-four of chapter one hundred and seventy-five of the General Laws and issued by it prior to the effective date of this act, amend such policy to provide that option (c) specified in said section one hundred and forty-four shall be automatically operative in default of an election under said section, instead of option (b) specified therein.

Approved April 14, 1938.

Chap. 210 AN ACT RELATIVE TO THE REVOCATION OR SUSPENSION OF CERTIFICATES OF REGISTRATION TO PRACTICE MEDICINE AND TO THE CANCELLATION OF SUCH REGISTRATION.

Be it enacted, etc., as follows:

G. L. (Ter.
Ed.), 112, § 2,
etc., amended.

Section two of chapter one hundred and twelve of the General Laws, as most recently amended by sections one and two of chapter two hundred and forty-seven of the acts of nineteen hundred and thirty-six, is hereby further amended by striking out all after the word "application" in the twenty-first line, as appearing in the Tercentenary Edition, and inserting in place thereof the following:— The board, after due notice and hearing, may revoke any certificate issued by it to, and cancel the registration of, any physician convicted of a felony, and may, at any time after the expiration of one year thereafter, reissue any certificate so revoked, and register anew any physician whose registration was so canceled. The board, after due notice and hearing, may suspend, for a period not exceeding one year, any certificate issued by it to, and cancel the registration of, any physician who has been shown at such hearing to have been guilty of gross and confirmed use of alcohol in any of its forms while engaged in the practice of his profession, or of the use of narcotic drugs in any way other than for therapeutic purposes; or of abuse of the authority granted in section two hundred and nine A of chapter ninety-four; or of publishing or causing to be published, or of distributing or causing to be distributed, any literature contrary to section twenty-nine of chapter two hundred and seventy-two; or of acting as principal or assistant in the carrying on of the practice of medicine by an unregistered person or by any person convicted of the illegal practice of medicine or by any physician whose registration has been canceled, and whose certificate has been revoked or suspended, by the board; or of aiding and abetting in any attempt to secure registration, either for himself or for another, by fraud; or, in connection with his practice, of defrauding or attempting to defraud any person. Except

Revocation,
etc., of cer-
tificates of
registration
of physicians.