

# SENATE . . . . No. 297

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To accompany the petition of Berkeley W. Mossman that provision be made for the escheat of unclaimed funds of domestic life insurance companies to the treasury of the Commonwealth. Insurance.

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Forty-Six.

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### AN ACT TO HAVE UNCLAIMED FUNDS OF DOMESTIC LIFE INSURANCE COMPANIES PAID INTO THE TREASURY OF THE COMMONWEALTH.

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

1 Chapter one hundred and seventy-five of the  
2 General Laws is hereby amended by inserting after  
3 section one hundred and forty-nine, under the  
4 caption "Unclaimed Funds of Domestic Life Com-  
5 panies", the five following new sections:—

6 *Section 149A.* 1. The following moneys held by  
7 domestic life companies shall be deemed abandoned  
8 property:—

9 (a) Any moneys payable under matured life insur-  
10 ance policies on the endowment plan issued on the  
11 lives of residents of this commonwealth, which shall  
12 have remained unclaimed for seven years by the  
13 person or persons to whom such moneys are payable  
14 thereunder;

15 (b) Any moneys payable under other kinds of  
16 life insurance policies issued on lives of residents of  
17 this commonwealth who, if living, would prior to the  
18 thirty-first day of December next preceding the report  
19 required by section one hundred and forty-nine B  
20 have attained the limiting age under the mortality  
21 table on which the reserves on such policies are  
22 based, exclusive of any moneys payable under —

- (i) Any policy which has within seven years been assigned, readjusted, kept in force by payment of premium, reinstated or subjected to a loan from the insurer;
- (ii) Any policy with respect to which the insurer has received written evidence within seven years that the person or persons to whom the amount payable thereunder as a death benefit have knowledge thereof.

23 (c) Any moneys due and payable to beneficiaries  
24 under policies issued on the lives of residents of this  
25 commonwealth who have died, which remained un-  
26 claimed by the person or persons to whom they are  
27 payable for seven years.

28 2. For the purposes of this section a policy shall be  
29 deemed to have been issued on the life of a resident  
30 of this commonwealth if the address of the applicant  
31 given in the application for such policy was at the  
32 date of such application an address within the  
33 commonwealth.

34 3. Any such abandoned property held or owing  
35 by a domestic life company shall cease to be aban-  
36 doned property if the right to receive it is established  
37 to the satisfaction of the insurer before it is paid  
38 to the state treasurer.

39 *Section 149B.* Every domestic life company shall  
40 on or before the first day of March of each year  
41 make a report in writing to the commissioner, of all

42 abandoned property as defined in section one hundred  
43 and forty-nine A held or owing by it, on the thirty-  
44 first day of December next preceding; provided,  
45 however, that the first such report made subsequent  
46 to the effective date of this section shall not include  
47 abandoned property held more than eight years.  
48 Such report shall be signed and sworn to by a duly  
49 authorized officer of the company and shall set  
50 forth:

51 (a) Name of insured;

52 (b) The name and last known address of any  
53 person or persons from the records of the insurer  
54 appearing to be entitled to receive any such  
55 abandoned property;

56 (c) The amount appearing from the records of  
57 such company to be due;

58 (d) The policy number and policy age of the  
59 insured;

60 (e) The date on which such abandoned property  
61 became payable.

62 In case any such company shall on the thirty-first  
63 day of December in any year neither hold nor owe  
64 any abandoned property, as defined in section one  
65 hundred and forty-nine A, it shall on or before the  
66 first day of March next succeeding make a verified  
67 report of that fact to the commissioner.

68 *Section 149C.* On or before the first day of April  
69 in each year, each domestic life company shall pay  
70 over to the state treasurer all the abandoned property  
71 set forth in the report required by section one hundred  
72 and forty-nine B excepting any such abandoned  
73 property which since the date of such report shall  
74 have ceased to be abandoned. Each such payment  
75 shall be accompanied by a duplicate of the report

76 made to the commissioner. The company, upon  
77 payment as aforesaid to the state treasurer, shall  
78 thereafter be relieved of any and all liability and  
79 shall be held harmless by the commonwealth for any  
80 claim or claims which exist at the time of such pay-  
81 ment or which may thereafter arise on account of  
82 said abandoned property.

83 *Section 149D.* All such abandoned property paid  
84 over to the state treasurer under the preceding sec-  
85 tion shall be held by him subject to be paid to the  
86 person establishing the lawful right thereto in the  
87 manner hereinafter provided with interest at the  
88 rate of three per cent per annum from the time when  
89 it was so paid to the said treasurer to the time when  
90 it is paid by him to such person. After six years  
91 from the date when such proceeds were paid to the  
92 said treasurer the same may be used as a part of the  
93 ordinary revenue of the commonwealth. Any person  
94 may, however, establish his claim at any time after  
95 the expiration of the six years above mentioned and  
96 any claim so established shall be paid from the  
97 ordinary revenue of the commonwealth. Any person  
98 claiming a right to money so paid to the state treas-  
99 urer may establish the same by a petition to the  
100 superior court under section one of chapter two  
101 hundred and fifty-eight; provided, that in cases  
102 where claims amount to less than fifty dollars each,  
103 the claims may be presented to the comptroller, who  
104 shall examine the same and allow and certify for  
105 payment such as may be proved to his satisfaction.

106 *Section 149E.* The expiration of any period of  
107 time specified by law, during which an action or  
108 proceeding may be commenced or enforced to secure  
109 payment of a claim for money shall not prevent any

110 such money from being abandoned property as  
111 defined in section one hundred and forty-nine A nor  
112 affect any duty to file the report required by section  
113 one hundred and forty-nine B or to make payment  
114 to the state treasurer as required by section one  
115 hundred and forty-nine C; and shall not serve as a  
116 defense in any action or proceeding by or on behalf  
117 of the state treasurer to compel the filing of the afore-  
118 said report or the payment to him of the abandoned  
119 property as required by section one hundred and  
120 forty-nine C.