

# HOUSE . . . . No. 1253

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By Mr. Morton of Fall River, petition of Warren F. Brooks that the payment of commissions to certain employees of life insurance companies be authorized with respect to policies issued on the lives of such employees. Insurance.

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## The Commonwealth of Massachusetts

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

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AN ACT AUTHORIZING PAYMENT OF COMMISSIONS TO CERTAIN EMPLOYEES OF LIFE INSURANCE COMPANIES WITH RESPECT TO CERTAIN POLICIES ISSUED ON THE LIVES OF SUCH EMPLOYEES.

*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 184 of chapter 175 of the General Laws, as  
2 appearing in the Tercentenary Edition, and most  
3 recently amended by chapter 103 of the acts of 1937,  
4 is hereby further amended by striking out the words  
5 "ten thousand" appearing in the 16th line and insert-  
6 ing in their place the words: — twenty-five thousand,  
7 — so that said section will read as follows: — *Sec-*  
8 *tion 184.* The two preceding sections shall apply to  
9 all kinds of insurance, including contracts of cor-  
10 porate suretyship, except those specified in sub-  
11 divisions (a), (b) and (c) of the second clause of sec-  
12 tion forty-seven. The said sections shall not prohibit

13 any company from paying a commission to another  
14 company or to any person who is duly licensed as an  
15 insurance agent of such company or as an insurance  
16 broker and who holds himself out and carries on busi-  
17 ness in good faith as such, or prohibit any such person  
18 or any company from receiving a commission in  
19 respect to any policy under which he or it is insured,  
20 or in respect to any annuity or pure endowment con-  
21 tract held by him; nor shall said sections prohibit a  
22 life company from paying to any one of its employees,  
23 other than an insurance agent, who has been employed  
24 by it for at least one year a commission or commissions,  
25 or such employee from receiving a commission or com-  
26 missions, in respect to so much of the face amount  
27 of any policy or policies of insurance on his life at any  
28 time outstanding as does not exceed twenty-five  
29 thousand dollars; nor shall said sections apply to  
30 (1) a distribution, without special favor or ad-  
31 vantage, by mutual companies to policyholders of  
32 savings, earnings or surplus without specification  
33 thereof in the policy; or (2) the furnishing to the  
34 insured of information or advice by any company,  
35 officer, agent or broker with regard to any risk for the  
36 purpose of reducing the liability of loss; or (3) the  
37 payment or allowance to the insured of a return pre-  
38 mium upon the cancellation or surrender of a policy,  
39 or of a cash surrender or other value upon the lapse or  
40 surrender of a policy of life or endowment insurance  
41 or upon the exchange, alteration or conversion of  
42 any such policy under section one hundred and  
43 thirty-nine.