

By Mr. Morton of Fall River, petition of John Barker, Jr., for legislation relative to the investments of domestic life insurance companies. Insurance.

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## The Commonwealth of Massachusetts

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

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### AN ACT RELATING TO THE INVESTMENTS OF DOMESTIC LIFE 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 SECTION 1. Section 66 of chapter 175 of the General  
2 Laws, Tercentenary Edition, as amended, is hereby  
3 further amended by striking out, at the end of the first  
4 sentence, the words "or in the stock of any other insur-  
5 ance company", — so that said sentence shall read  
6 as follows: — Except as otherwise provided, no do-  
7 mestic life company shall invest any of its funds in  
8 any unincorporated business or enterprise, or in the  
9 stocks or evidence of indebtedness of any corporation  
10 the owners or holders of which stock or evidence of  
11 indebtedness may in any event be or become liable on  
12 account thereof to any assessment except for taxes,  
13 nor shall such life company invest any of its funds in  
14 its own stock.

1 SECTION 2. Section 66 of chapter 175 of the Gen-  
2 eral Laws, Tercentenary Edition, as amended, is

3 hereby further amended by striking out, in lines 28 to  
4 29 appearing in the second paragraph thereof, the  
5 words "and located in any one of the New England  
6 states", — so that said paragraph shall read as fol-  
7 lows: — Any such life company may invest such funds  
8 in the capital stock of a trust company incorporated  
9 in and doing business in the commonwealth or of a  
10 national banking association incorporated under  
11 federal law, if such trust company or association has  
12 paid dividends in cash of not less than four per cent  
13 on its capital stock in each of the five years next pre-  
14 ceding the date of the investment and if the amount  
15 of surplus of such trust company or association is at  
16 least equal to fifty per cent of the amount of its capital  
17 stock; but no such life company shall invest in the  
18 aggregate an amount in excess of two and one half  
19 per cent of its reserve in the purchase of stock of such  
20 trust companies and national banking associations,  
21 nor shall it invest an amount in excess of two per cent  
22 of its reserve in the purchase of the stock of any one  
23 such trust company or association, except that if two  
24 or more such trust companies or associations merge  
25 or consolidate or one or more such trust companies is  
26 merged or consolidated with one or more such asso-  
27 ciations, such a life company may acquire stock of the  
28 absorbing or consolidating trust company or national  
29 banking association to an amount in excess of two  
30 per cent but not in excess of two and one half per cent  
31 of the reserve of such life company, if such stock is  
32 received in exchange for stock of the consolidating  
33 or merging companies or associations owned by the  
34 life company at the time of the merger or consolida-  
35 tion.