

HOUSE No. 1899

By Mr. Vaitses of Melrose, petition of the Massachusetts Co-operative Bank League relative to the deposit of funds of medical service corporations in co-operative banks. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Four.

AN ACT PERTAINING TO THE DEPOSIT OF FUNDS OF MEDICAL SERVICE CORPORATIONS IN CO-OPERATIVE BANKS.

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 10 of chapter 176B of the
2 General Laws, as most recently amended by section 1
3 of chapter 394 of the acts of 1950, is hereby further
4 amended, by adding at the end of the first sentence
5 thereof the words:— or on shares and accounts of
6 and in a co-operative bank,— so that said first
7 sentence shall read as follows:— The funds of a
8 medical service corporation shall be invested only in
9 such securities as are permitted by chapter one
10 hundred and seventy-five for the investment of the
11 capital of insurance companies or in the purchase of
12 share accounts of a federal savings and loan associa-
13 tion located in the commonwealth in an amount not in
14 excess of ten per cent of the combined surplus and
15 contingent surplus, or it may deposit the whole or
16 any portion of its funds in any savings bank or savings
17 department of a trust company organized under the
18 laws of the commonwealth or a national banking
19 association or on shares and accounts of and in a
20 co-operative bank.

1 SECTION 2. Section 11 of chapter 176C of the
2 General Laws, as most recently amended by section 2
3 of chapter 394 of the acts of 1950, is hereby further
4 amended by inserting, in the fourth line, after the
5 word "by", the words:— depositing on shares and
6 accounts of and in co-operative banks, or by, — so
7 that said section shall read as follows:— *Section 11.*
8 The funds of any corporation subject to this chapter
9 shall be kept only in banks in which funds of the
10 commonwealth are authorized to be deposited, or by
11 depositing on shares and accounts of and in co-oper-
12 ative banks, or by investing in share accounts of
13 federal savings and loan associations located in this
14 commonwealth in accordance with the authority and
15 limitations specified in section ten of chapter one
16 hundred and seventy-six B.