
By Mr. Hennigan, petition of James W. Hennigan, Jr., for legislation relative to the distribution of dividends on insurance policies and annuity contracts and the discontinuance of the issuance of such policies and contracts by savings and insurance banks. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty.

AN ACT RELATIVE TO THE DISTRIBUTION OF DIVIDENDS ON INSURANCE POLICIES AND ANNUITY CONTRACTS AND THE DISCONTINUANCE OF THE ISSUANCE OF SUCH POLICIES AND CONTRACTS BY SAVINGS AND INSURANCE 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 21 of chapter 178 of the General Laws,
2 as most recently amended by section 2 of chapter 285 of the
3 acts of 1936, is hereby further amended by adding at the end
4 the following paragraph: — Notwithstanding any contrary
5 provision of this section, a savings and insurance bank, hav-
6 ing an insurance department which has been licensed for over
7 five years, whose surplus is less than five per cent of its net
8 insurance reserve, may distribute to its holders of insurance
9 policies and annuity contracts only such amount as dividends
10 as the trustees of the General Insurance Guaranty Fund ap-
11 prove.

1 SECTION 2. Section 25 of said chapter 178, as appearing in
2 the Tercentenary Edition, is hereby amended by striking out
3 the last sentence and inserting in place thereof the following
4 sentence: — When a bank which has voted to discontinue said
5 business has so reinsured its outstanding policies and annuity
6 contracts, or fully performed the same, it shall transfer all the
7 assets of the insurance department remaining after paying all

