

To accompany the petition of Wesley E. Monk for legislation relative to the admission of foreign insurance companies and to the deposits required of certain foreign life insurance companies. Insurance.

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**The Commonwealth of Massachusetts.**

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

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An Act relative to the Admission of Foreign Insurance Companies and to the Deposits required of Certain Foreign Life Insurance Companies.

1 *Whereas*, The deferred operation of this act  
2 would tend to defeat its purpose, it is hereby  
3 declared to be an emergency law necessary for  
4 the immediate preservation of the public con-  
5 venience.

*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 one hundred and fifty-one  
2 of chapter one hundred and seventy-five of the  
3 General Laws, as amended by section twelve of  
4 chapter two hundred and sixty-seven of the acts  
5 of nineteen hundred and twenty-five, is hereby  
6 further amended by inserting after the word  
7 "commonwealth" in the fifty-first line the words:  
8 — that it is in a sound financial condition and  
9 that its business policies, methods and manage-  
10 ment are sound and proper, — and by inserting

11 after the word "transact" in the eighty-first line  
12 the words:— which license the commissioner  
13 may refuse to issue if he is of the opinion that  
14 such refusal will be in the public interest, — so  
15 that the second and fifth clauses thereof will read  
16 as follows:— Second, It has satisfied the com-  
17 missioner that (1) it is fully and legally organized  
18 under the laws of its state or government to do  
19 the business it proposes to transact; that (2) it  
20 has, if a stock company, other than life, a fully  
21 paid-up capital, exclusive of stockholders' obliga-  
22 tions of any description, unimpaired on the basis  
23 fixed by sections ten to twelve, inclusive, of an  
24 amount not less than is required by sections  
25 forty-eight and fifty-one of domestic stock com-  
26 panies transacting the same classes of business;  
27 that (3), it has, if a mutual company, other than  
28 life, and (a), if it proposes to transact business  
29 under any one of the clauses of section forty-  
30 seven, except the fourth, eleventh, fourteenth or  
31 fifteenth, or under the first and eighth clauses  
32 thereof, net cash assets computed on the basis  
33 fixed by sections ten to twelve, inclusive, at least  
34 equal to the amount of capital required by sec-  
35 tions forty-eight and fifty-one of a domestic stock  
36 company transacting the same classes of business,  
37 or net cash assets, so computed, of not less than  
38 fifty thousand dollars and contingent assets of  
39 not less than three hundred thousand dollars, or  
40 net cash assets, so computed, of not less than  
41 seventy-five thousand dollars and contingent  
42 assets of not less than one hundred and fifty

43 thousand dollars, or net cash assets equal to its  
44 total liabilities, both computed as aforesaid, and  
45 contingent assets of not less than one hundred  
46 thousand dollars; or, (b), if it proposes to trans-  
47 act business under the fourth clause of said section  
48 forty-seven, a fully paid-up and unimpaired guar-  
49 anty capital of not less than two hundred thou-  
50 sand dollars and net cash assets, so computed,  
51 exclusive of said capital, of not less than one hun-  
52 dred thousand dollars; or, (c), if it proposes to  
53 transact business under the first, second and  
54 eighth clauses of said section forty-seven, net  
55 cash assets, so computed, of not less than four  
56 hundred thousand dollars, or net cash assets, so  
57 computed, of not less than three hundred thou-  
58 sand dollars and contingent assets of not less than  
59 two hundred thousand dollars; or, (d), if it pro-  
60 poses to transact business under any two or more  
61 of the fourth, fifth, sixth, seventh, eighth, ninth,  
62 tenth, twelfth and thirteenth clauses of said  
63 section forty-seven, net cash assets, computed as  
64 aforesaid, of not less than one hundred thousand  
65 dollars for each clause under which it proposes  
66 to transact business, in addition to the guaranty  
67 capital and net cash assets required by (b) hereof  
68 if it proposes to transact business under said  
69 fourth clause; that (4) such capital and assets,  
70 other than contingent, are well invested and  
71 available for the payment of losses in the com-  
72 monwealth; that it is in a sound financial condi-  
73 tion and that its business policies, methods and  
74 management are sound and proper, and (5) that



75 it insures in a single risk wherever located an  
76 amount no larger than one tenth of its net assets  
77 except as provided in section twenty-one.

78 Fifth, It has obtained from the commissioner  
79 a license stating that it has complied with the  
80 laws of the commonwealth and specifying the  
81 kinds of business it is authorized to transact,  
82 which license the commissioner may refuse to  
83 issue if he is of the opinion that such refusal will  
84 be in the public interest.

1 SECTION 2. Section one hundred and fifty-  
2 three of said chapter is hereby amended by strik-  
3 ing out said section and inserting in place thereof  
4 the following:

5 *Section 153.* A company organized under the  
6 laws of any other state of the United States for  
7 the transaction of life insurance may, subject to  
8 all of the provisions of section one hundred and  
9 fifty-one so far as applicable to a life company, be  
10 admitted and authorized to do business if, in the  
11 opinion of the commissioner, it has the requisite  
12 funds of a life company and has policies in force  
13 upon not less than one thousand lives in the  
14 United States for an aggregate amount of not  
15 less than one million dollars. Any such company  
16 organized under the laws of a state or govern-  
17 ment other than one of the United States may be  
18 so admitted and authorized, subject to all of the  
19 provisions of section one hundred and fifty-one  
20 as aforesaid, if in addition to complying with the  
21 above requirements, it complies with section one

22 hundred and fifty-five, and if it shall have and  
23 keep on deposit as provided in section one hun-  
24 dred and fifty-five or in the hands of trustees as  
25 provided in section one hundred and fifty-six, in  
26 exclusive trust for the security of its contracts  
27 with policyholders in the United States, funds of  
28 an amount equal to the net value of all its policies  
29 in the United States, less all indebtedness thereon,  
30 and not less than two hundred thousand dollars.





