

HOUSE No. 971

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 7, 1928.

The committee on bills in the third reading, to whom was referred the Bill relative to the kinds of business that insurance companies may transact (House, No. 157, changed), report recommending that the same be amended by the substitution of the accompanying Bill (House, No. 971).

For the committee,

THOMAS R. BATEMAN.

The Commonwealth of Massachusetts

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

An Act relative to the Kinds of Business that Insurance Companies may transact and to Coverage under Insurance Policies.

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. Chapter one hundred and seventy-
2 five of the General Laws, as amended in section
3 forty-seven by chapter one hundred and ninety-
4 eight, by section one of chapter two hundred and
5 fifteen and by section three of chapter two hundred
6 and seventy-seven, all of the acts of nineteen hun-
7 dred and twenty-one, by section three of chapter two
8 hundred and sixty-seven of the acts of nineteen
9 hundred and twenty-five, and by chapter forty-nine,
10 by section one of chapter fifty-three and by section
11 six of chapter two hundred and eighty-four, all of
12 the acts of nineteen hundred and twenty-seven, is
13 hereby further amended by striking out said section
14 forty-seven, and inserting in place thereof the
15 following: —

16 *Section 47.* Companies may be incorporated
17 under and subject to the provisions of this chapter
18 for the following purposes: —

19 First, To insure against loss or damage to property
20 by fire, smoke, lightning and other electrical dis-

21 turbances, wind, tornado, tempest, cyclone, earth-
22 quake, hail, frost, snow, ice, weather or climatic
23 conditions, including excess or deficiency of moisture,
24 flood, rain or drought, rising of the waters of the
25 ocean or its tributaries, bombardment, invasion,
26 foreign enemies, insurrection, riot, sabotage, war,
27 civil war or commotion, military or usurped power,
28 explosion fire ensuing, and explosion no fire ensuing
29 except explosion of steam boilers and flywheels; also
30 to insure against loss or damage by insects, disease
31 or other causes, to trees, crops or other products of
32 the soil; and against loss of use or occupancy due
33 to any of said causes.

34 Second, To insure, (a) vessels, freights, goods,
35 money, effects, and money loaned on bottomry or
36 respondentia, against the perils of the sea and other
37 perils usually insured against by marine insurance;
38 (b) against risks of inland navigation and transpor-
39 tation; (c) in connection with marine or inland
40 navigation or transportation insurance on any prop-
41 erty, against any risk or hazard whether to person
42 or to property, including legal liability on account of
43 loss or damage to either, arising out of the construc-
44 tion, repair, operation, maintenance or use of the
45 subject matter of such primary insurance; (d) a
46 person engaged in the business or trade of manu-
47 facturing, buying, selling or dealing in, cutting or
48 setting precious stones, jewels, jewelry, gold, silver
49 or other precious metals, whether as principal,
50 agent, broker, factor or otherwise, against any and
51 all risks of loss or damage including deterioration
52 and loss of use, arising out of or in connection with
53 such business or trade and against legal liability on
54 account of any such loss or damage including deteri-

55 oration or loss of use; (e) against loss or damage to,
56 and loss of use of, motor vehicles, airplanes, sea-
57 planes, dirigibles or other air craft, their fittings and
58 contents, whether such motor vehicles or air craft
59 are being operated or not, and wherever the same
60 may be, resulting from accident, collision, fire,
61 lightning, any larceny, pilferage, theft, malicious
62 mischief or vandalism, any of the perils usually in-
63 sured against by marine insurance or risks of inland
64 navigation and transportation, and against loss or
65 damage caused by the concealment, removal or
66 unlawful disposition or conversion of such vehicles
67 or aircraft by a conditional vendee or mortgagor or
68 bailee in possession; (f) against loss or damage to
69 any property caused by teams, motor vehicles or
70 other vehicles except rolling stock of railways, air-
71 planes, seaplanes, dirigibles or other aircraft, and
72 against legal liability for loss or damage caused there-
73 by to the property of another, but not including
74 legal liability for bodily injury or death caused
75 thereby.

76 Third, To insure against loss or damage to, and
77 loss of use of, motor vehicles other than motor
78 boats, airplanes, seaplanes, dirigibles or other air-
79 craft, their fittings and contents, whether such
80 vehicles or aircraft are being operated or not, and
81 wherever the same may be, resulting from accident,
82 collision, fire, lightning, any larceny, pilferage, theft,
83 malicious mischief or vandalism, any of the perils
84 usually insured against by marine insurance or risks
85 of inland navigation and transportation, and against
86 loss or damage caused by the concealment, removal
87 or unlawful disposition or conversion of such vehicles
88 or aircraft by a conditional vendee or mortgagor or
89 bailee in possession thereof.

90 Fourth, (a) To guarantee the fidelity of persons
91 in positions of trust, private or public, (b) to act as
92 surety on official bonds and for the performance of
93 other obligations, (c) to guarantee or insure to the
94 holders thereof the payment of the principal of, or
95 interest on, bonds, notes, or other evidences of in-
96 debtedness and to insure against loss or damage
97 arising from any default in the payment of such
98 principal or interest, and (d) to insure a bank,
99 banker, investment broker, banking association or
100 corporation against any loss of bills of exchange,
101 notes, profits, bonds, securities, evidences of in-
102 debtedness, deeds, mortgages, documents, currency
103 or money, except against the loss thereof during
104 marine transportation or while being transported
105 by a common carrier.

106 Fifth, To insure against loss or damage to any
107 property of the insured, and against legal liability
108 for loss or damage on account of the bodily injury
109 or death of any person or any damage to property of
110 another, caused by the breakage, explosion or rup-
111 ture of, or any accidental injury to, steam boilers
112 and pipes and containers connected therewith, any
113 lighting, heating or cooking apparatus or their con-
114 nections, flywheels, power wheels, and engines or
115 other apparatus for applying or transmitting motive
116 or electrical power, tanks or other receptacles under
117 pressure, or their connections, or machinery of any
118 kind, and against loss of use and occupancy caused
119 thereby; and against loss or damage caused by the
120 interruption by any cause of electric current or of
121 water or gas supply furnished by a public utility
122 company or municipality.

123 Sixth, To insure, (a) any person against bodily
124 injury or death by accident, or (b) any person

125 against legal liability for loss or damage on account
126 of the bodily injury or death of any person or on
127 account of any damage to property of another,
128 except when caused by the rolling stock of railways,
129 or (c) against loss or damage to, or loss of use of,
130 motor vehicles except motor boats, airplanes, sea-
131 planes, dirigibles or other aircraft, their fittings and
132 contents, whether such vehicles or aircraft are being
133 operated or not, and wherever the same may be,
134 resulting from collision or accident, except loss or
135 damage by fire or while being transported in any
136 conveyance by land or water; or (d) to make insur-
137 ance upon the health of individuals; or (e) to insure
138 the payment of workmen's compensation benefits
139 under chapter one hundred and fifty-two.

140 Seventh, To insure against loss or damage caused
141 by the breakage of glass.

142 Eighth, To insure against loss or damage to any
143 property of the insured, and against legal liability
144 for any loss or damage to the property of another,
145 caused by the breakage of, or leakage of any fluid or
146 substance from, sprinklers, pumps, water pipes, ele-
147 vator tanks and cylinders, steam pipes and radiators,
148 plumbing and its fixtures, heating, lighting or cook-
149 ing apparatus or their connections, or conduits or
150 containers of any fluid; or against loss or damage
151 resulting from accidental injury from other causes
152 than fire, explosion, lightning, bombardment or
153 windstorm, to such sprinklers, pumps, water pipes,
154 elevator tanks and cylinders, steam pipes and radi-
155 ators, plumbing and its fixtures, heating, lighting or
156 cooking apparatus or their connections, or conduits
157 and containers; against loss or damage to any
158 property of the insured, and against legal liability

159 for loss or damage to the property of another, caused
160 by water, hail, rain, sleet or snow seeping or entering
161 through leaks or openings in buildings, or caused by
162 the contents of any tank, or impact of any falling
163 tank, platform or supports erected in or upon any
164 building; and against loss of use and occupancy due
165 to any of said causes.

166 Ninth, To insure against loss or damage to any
167 property caused by elevators, airplanes, seaplanes,
168 dirigibles or other aircraft, motor or other vehicles,
169 except motor boats and rolling stock of railways,
170 and against loss of use and occupancy caused thereby.

171 Tenth, To carry on the business commonly known
172 as credit insurance or guaranty, either by agreeing
173 to purchase uncollectible debts, or otherwise to insure
174 against loss or damage from the failure of persons
175 indebted to the insured to meet their liabilities.

176 Eleventh, To examine titles of real and personal
177 property, furnish information relative thereto, and
178 insure owners and others interested therein against
179 loss by reason of encumbrances, defective title or
180 the insufficiency of any mortgage held or sold by the
181 insurer as security for the amount secured by such
182 mortgage, or against any other loss in connection
183 with any such mortgage or any interest therein, and
184 to buy and sell mortgages of real property and
185 interests therein.

186 Twelfth, To insure against property loss or dam-
187 age by burglary, robbery, any larceny or theft, any
188 breaking and entry or entry without breaking of
189 any house, building, ship, vessel or railroad car, or
190 any other criminal act; against loss or damage
191 caused by the concealment, removal or unlawful
192 disposition or conversion of property by a condi-

193 tional vendee or mortgagor or bailee in possession;
194 against loss or damage caused by forgery; and to
195 make the insurance provided for in subdivision (d)
196 of clause Fourth, as set forth therein.

197 Thirteenth, To insure against loss or damage from
198 the death from any cause of horses, live stock or
199 domestic animals, and to furnish veterinary service.

200 Fourteenth, To transact outside of the territorial
201 limits of the United States any and all forms of
202 insurance.

203 Fifteenth, To reinsure risks of every kind or
204 description undertaken by other companies.

1 SECTION 2. Section fifty-one of said chapter one
2 hundred and seventy-five, as amended by section
3 two of chapter thirty-nine of the acts of nineteen
4 hundred and twenty-three, by section one of chapter
5 two hundred and ninety-eight and by section five of
6 chapter four hundred and fifty, both of the acts of
7 nineteen hundred and twenty-four, and by section
8 two of chapter fifty-three of the acts of nineteen
9 hundred and twenty-seven, is hereby amended by
10 striking out clause (a) and inserting in place thereof
11 the following: —

12 (a) The first and second, if authorized to transact
13 either, provided it has a paid-up capital of not less
14 than four hundred thousand dollars, or the first and
15 second excepting ocean marine insurance, if author-
16 ized to transact either, provided it has a paid-up
17 capital of not less than three hundred thousand dol-
18 lars, or subdivision (d) of the second clause, if au-
19 thorized to transact the first, —

20 And also by adding at the end of the section the
21 following new paragraph: —

22 Nothing in this section shall permit any domestic
23 stock company to combine classes of business which
24 may not be combined under section forty-eight.

1 SECTION 3. Section fifty-four of said chapter one
2 hundred and seventy-five, as amended by chapter
3 one hundred and fifty-three of the acts of nineteen
4 hundred and twenty-three, by section two of chapter
5 two hundred and ninety-eight and by section six of
6 chapter four hundred and fifty, both of the acts of
7 nineteen hundred and twenty-four, by section five
8 of chapter two hundred and sixty-seven of the acts
9 of nineteen hundred and twenty-five and by section
10 eight of chapter two hundred and eighty-four of the
11 acts of nineteen hundred and twenty-seven, is hereby
12 further amended by adding at the end thereof the
13 following new paragraph:—

14 Nothing in this section shall permit any domestic
15 mutual company to combine classes of business
16 which may not be combined under section forty-
17 eight A.

1 SECTION 4. Said chapter one hundred and sev-
2 enty-five is hereby further amended by inserting
3 after section twenty-two the following new section:—

4 *Section 22A.* No company shall issue any policy
5 of insurance which provides coverage against loss or
6 damage caused by hazards specified in more than
7 one of the clauses of section forty-seven, until a copy
8 of the form of the policy has been on file for thirty
9 days with the commissioner, unless before the ex-
10 piration of said thirty days he shall have approved
11 the form of the policy in writing; nor if the com-
12 missioner notifies the company in writing within said

13 thirty days that the form of the policy does not com-
14 ply with the laws of the commonwealth, specifying
15 his reasons therefor, provided that the opinion of the
16 commissioner shall be subject to review by the su-
17 preme judicial court; but nothing in this section shall
18 permit the incorporation in the standard fire policy,
19 prescribed by section ninety-nine, of coverage against
20 loss or damage by any of the hazards specified in
21 any of the clauses of said section forty-seven other
22 than the first, or permit the incorporation in any
23 policy issued under section one hundred and two A,
24 one hundred and eleven A [or one hundred and
25 seventeen A] or any policy subject to section one
26 hundred and eight or one hundred and thirteen A,
27 of any coverage not otherwise permitted by this
28 chapter to be incorporated therein.

1 SECTION 5. Section fifty-two of said chapter
2 one hundred and seventy-five is hereby repealed.

1 SECTION 6. Section one hundred and fifty-two of
2 said chapter one hundred and seventy-five, as
3 amended by section eleven of chapter four hundred
4 and six of the acts of nineteen hundred and twenty-
5 four and by section thirteen of chapter two hundred
6 and sixty-seven of the acts of nineteen hundred and
7 twenty-five, is hereby further amended by striking
8 out the last sentence.

