

# HOUSE . . . . . No. 92

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Accompanying the fourth recommendation of the Commissioner of Insurance (House, No. 88). Insurance.

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Three.

An Act relative to Valuation of Certain Securities held  
by Insurance Companies Other than Life.

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

*Be it enacted by the Senate and House of Repre-  
sentatives in General Court assembled, and by the  
authority of the same, as follows:*

1 Section eleven of chapter one hundred and seventy-  
2 five of the General Laws, as most recently amended  
3 by section three of chapter two hundred and forty-  
4 two of the acts of nineteen hundred and thirty-one,  
5 is hereby further amended by striking out, in the  
6 twenty-second line, the word "life", — so that the  
7 third paragraph of said section will read as follows: —  
8 He may value all bonds or other evidences of debt  
9 having a fixed term and rate held by a company, if  
10 amply secured and not in default as to principal or  
11 interest, as follows: if purchased at par, at the par  
12 value; if purchased above or below par, on the basis

13 of the purchase price adjusted so as to bring the  
14 value to par at maturity and so as to yield meantime  
15 the effective rate of interest at which the purchase  
16 was made; provided, that the purchase price shall  
17 in no case be taken at a higher figure than the  
18 actual market value when purchased; and provided,  
19 further, that the commissioner shall have full dis-  
20 cretion in determining the method of calculating  
21 values according to the foregoing rule, and the values  
22 found by him in accordance with such method shall  
23 be final and binding; provided, also, that any such  
24 company may return such bonds or other evidences  
25 of debt at their market value or their book value, but  
26 in no event at an aggregate value exceeding the  
27 aggregate of the values calculated according to the  
28 foregoing rule.