

HOUSE No. 1956

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 23, 1945.

The committee on Insurance, to whom was referred the petition (accompanied by bill, House, No. 503) of Joseph D. Sullivan for legislation to make uniform the computation of assets of insurance companies with reference to deposits, report the accompanying bill (House, No. 1956).

For the committee,

• EVERETT M. BOWKER.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Five.

AN ACT MAKING UNIFORM THE COMPUTATION OF ASSETS OF INSURANCE COMPANIES WITH REFERENCE TO CERTAIN DEPOSITS BY THEM.

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 eleven of chapter one hun-
2 dred and seventy-five of the General Laws is hereby
3 amended by striking out the first paragraph, as most
4 recently amended by section three of chapter two
5 hundred and seven of the acts of nineteen hundred
6 and forty-three, and inserting in place thereof the
7 following paragraph:—

8 Besides the reserve provided for in sections nine
9 and ten he shall, except as provided in section twelve,
10 charge to each company as a liability all unpaid losses
11 and claims for losses, and all other debts and liabili-
12 ties, including in the case of a stock company its capi-
13 tal stock and including, in the case of a mutual com-
14 pany with a guaranty capital or guaranty fund, such
15 guaranty capital or guaranty fund. He shall allow to
16 the credit of a company in the account of its financial
17 condition only such assets as are available for the
18 payment of losses in this commonwealth, including all
19 assets deposited with officers of other states or coun-
20 tries for the security of the policyholders of such

21 company, or assets deposited as collateral for a bond
22 given for the security of the policyholders of a com-
23 pany in lieu of assets deposited with officers of other
24 states or countries, providing such deposit is made
25 with a national bank, savings bank or trust company
26 at its principal place of business in this common-
27 wealth which is possessed of capital or surplus of not
28 less than three million dollars; but no holding or par-
29 cel of real estate described in section sixty-six A shall
30 be allowed as an asset unless the average net rental
31 value of the apartment, tenement or other dwelling
32 house erected thereon, as estimated at the commence-
33 ment of its construction, is sixteen dollars or less per
34 room per month; and no holding or parcel of real
35 estate shall be given a higher value than would be
36 adequate to yield at three per cent annual interest the
37 average amount of its net rental for three years next
38 preceding, except that if a company shows to his satis-
39 faction that the actual value of any of its real estate
40 is greater than the value so ascertained, then the
41 actual value of the said real estate as determined by
42 the commissioner shall be allowed. The commissioner
43 may, in his discretion, require any company to furnish
44 such information as may be needed to substantiate
45 the values above prescribed.

1 SECTION 2. This act shall not take effect until the
2 termination of the existing states of war between the
3 United States and certain foreign countries.

