

HOUSE No. 725

Accompanying the petition of William M. Burch for legislation relative to mutual insurance companies. Insurance. January 18.

The Commonwealth of Massachusetts.

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

AN ACT

Relating to Mutual Insurance Companies.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter one hundred and seventy-five of the General
2 Laws is hereby amended by inserting after section
3 seventy-nine thereof section seventy-nine *a*, to read as
4 follows:— *Section 79a.* A mutual insurance company
5 may issue policies for a cash premium without an addi-
6 tional contingent premium, provided it has a guaranty
7 capital not less in amount than the capital required of a
8 stock company for transacting the same kinds of insur-
9 ance. Authority is hereby granted to establish such guar-
10 anty capital in such amount and subject to such pro-
11 visions as to its retirement as may be established in the
12 by-laws of the company subject to the approval of the
13 commissioner of insurance. Any impairment of such
14 guaranty capital shall be made good by the share-holders

15 under the provisions of law which apply to the assess-
16 ment of shares in a stock insurance company. Such
17 guaranty capital shall be subject to the provisions of
18 section seventy-nine of this chapter when not in conflict
19 with this act. Nothing herein contained shall be con-
20 strued to prohibit stock insurance companies from having
21 the same rights as mutual insurance companies in issuing
22 policies which provide for returning to the policy holders
23 the unused portion of the premiums.



