

HOUSE No. 913

By Mr. Tarr of Rockport, petition of Carleton H. Parsons and others for abolition of the compulsory requirements for arbitration in connection with policies issued by fire insurance companies. Insurance.

The Commonwealth of Massachusetts

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

AN ACT PROVIDING FOR THE ABOLITION OF THE COMPULSORY REQUIREMENTS FOR ARBITRATION IN CONNECTION WITH FIRE 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. The standard form of policy set forth
2 in section ninety-nine of chapter one hundred and
3 seventy-five of the General Laws, as appearing in the
4 Tercentenary Edition, is hereby amended by striking
5 out the last seven paragraphs and inserting in place
6 thereof the following:—

7 In case of any loss or damage, the company, within sixty days
8 after the insured shall have submitted a statement, as provided
9 in the preceding clause, shall pay the amount for which it shall
10 be liable or replace the property with other of the same kind and
11 goodness; or it may, within fifteen days after such statement is
12 submitted, notify the insured of its intention to rebuild or repair
13 the premises, or any portion thereof separately insured by this
14 policy, and shall thereupon enter upon said premises and pro-
15 ceed to rebuild or repair the same with reasonable expedition.

16 It is moreover understood that there can be no abandonment of
17 the property insured to the company, and that the company shall
18 not in any case be liable for more than the sum insured, with
19 interest thereon from the time when the loss shall become pay-
20 able, as above provided.

21 If there shall be any OTHER INSURANCE on the property in-
22 sured, whether prior or subsequent, the insured shall recover on
23 this policy no greater proportion of the loss sustained than the
24 sum hereby insured bears to the whole amount insured thereon.
25 And whenever the company shall pay any loss, the insured shall
26 assign to it, to the extent of the amount so paid, all rights to
27 recover satisfaction for the loss or damage from any person, town
28 or other corporation, excepting other insurers; or the insured,
29 if requested, shall prosecute therefor at the charge and for the
30 account of the company.

31 If this policy shall be made payable to a mortgagee of the in-
32 sured real estate, no act or default of any person other than such
33 mortgagee or his agents, or those claiming under him, shall affect
34 such mortgagee's right to recover in case of loss on such real
35 estate: provided, that the mortgagee shall on demand pay ac-
36 cording to the established scale of rates for any increase of risks
37 not paid for by the insured; and whenever this company shall
38 be liable to a mortgagee for any sum for loss under this policy,
39 for which no liability exists as to the mortgagor, or owner, and
40 this company shall elect by itself, or with others, to pay the
41 mortgagee the full amount secured by such mortgage, then the
42 mortgagee shall assign and transfer to the companies interested,
43 upon such payment, the said mortgage, together with the note
44 and debt thereby secured.

45 This policy may be CANCELLED at any time at the request of
46 the insured, who shall thereupon be entitled to a return of the
47 portion of the above premium remaining, after deducting the
48 customary monthly short rates for the time this policy shall have
49 been in force. The company also reserves the right, after giving
50 written notice to the insured and to any mortgagee to whom this
51 policy is made payable, and tendering to the insured a ratable
52 proportion of the premium, to cancel this policy as to all risks
53 subsequent to the expiration of ten days from such notice, and
54 no mortgagee shall then have the right to recover as to such
55 risks.

56 No suit or action against this company for the recovery of any
57 claim by virtue of this policy shall be sustained in any court of
58 law or equity in this commonwealth unless commenced within
59 two years from the time the loss occurred. If suit or action upon
60 this policy is enjoined or abated, suit or action may be commenced
61 at any time within one year after the dissolution of such injunc-
62 tion, or the abatement of such suit or action, to the same extent
63 as would be possible if there was no limitation of time provided
64 herein for the bringing of such suit or action.

65 In witness whereof the said _____ company has caused this
66 policy to be signed by its president and attested by its secretary
67 (or by such proper officers as may be designated), at their office
68 in _____ (date).

1 SECTION 2. Sections one hundred to one hundred
2 and one G, inclusive, of said chapter one hundred
3 and seventy-five, as so appearing, are hereby repealed.

1 SECTION 3. Section one hundred and two of said
2 chapter one hundred and seventy-five, as so appear-
3 ing, is hereby amended by striking out the paragraph
4 numbered (2) and inserting in place thereof the
5 following:—

6 (2) A provision that the sworn statement required
7 by said standard form or the notice of any claim
8 authorized by section one hundred and two may be
9 rendered or given to any one of such companies or,
10 in the case of said notice, to the agent of any one of
11 such companies, and that such statement or notice so
12 rendered or given shall be valid and binding as to all
13 of such companies.

1 SECTION 4. This act shall apply only in the case
2 of policies of fire insurance issued after its effective
3 date.

