

HOUSE No. 3469

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, March 15, 1962.

The committee on Insurance, to whom was referred the petition (accompanied by bill, House, No. 1091) of Bernard J. Pat Foley and another relative to the investments of domestic insurance companies in equipment or chattels, report the accompanying bill (House, No. 3469).

For the committee,

PHILIP K. KIMBALL.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Two.

AN ACT RELATIVE TO THE INVESTMENTS OF DOMESTIC INSURANCE COMPANIES IN EQUIPMENT OR CHATTELS.

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 63 of chapter 175 of the General Laws is hereby
2 amended by inserting after paragraph 14E the following para-
3 graph: —

4 14F. In equipment or chattels, or in instruments evidencing
5 interests therein, or in obligations secured thereby; provided,
6 that (a) any such property or property interest is acquired for
7 or subject to lease, installment sale or other similar disposition
8 to (1) the United States of America or any instrumentality
9 thereof or any state of the United States or any county, city,
10 town, school or water district, authority or other political sub-
11 division in any such state, or (2) one or more companies incor-
12 porated under the laws of the United States or any state thereof,
13 or of the Dominion of Canada or a province thereof, or one or
14 more associations or trusts as defined in section one of chapter
15 one hundred and eighty-two; (b) the average net earnings of
16 any company, association or trust under (a) (2) above during
17 the seven fiscal years preceding the date of the investment have
18 not been less than four times its average fixed charges; (c) any
19 county, city, town, school or water district or political subdivi-
20 sion located outside the commonwealth to qualify under (a) (1)
21 above must satisfy requirements as to either population or debt
22 limitation as provided in paragraphs 2 (b) and 2 (c), respectively,
23 of this section; (d) any right to receive rental, purchase or other
24 fixed obligatory payments for the use or purchase of such equip-
25 ment or chattels shall be for a period of not less than seven years;
26 and (e) no company shall acquire such property or property in-
27 terest if the cost thereof plus the aggregate book value of a
28 such property or property interests held under this paragraph
29 at the time of any such acquisition exceeds five per cent of the
30 assets of such company. As used in this paragraph "net earn-
31 ings" and "fixed charges" shall have the meanings ascribed
32 thereto in paragraph fourteen A.