

HOUSE No. 509.

HOUSE OF REPRESENTATIVES, Jan. 31, 1901.

[Introduced on leave by Mr. McNary of Boston. Insurance.]

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and One.

AN ACT

Relative to Life Insurance.

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 seventy-six of chapter five hundred and
2 twenty-two of the acts of the year eighteen hun-
3 dred and ninety-four as amended by section three
4 of chapter three hundred and sixty-three of the
5 acts of the year nineteen hundred is hereby further
6 amended by striking out the word "three," in the
7 eighth line of said section, and inserting in place
8 thereof the word:—two,—so that said section
9 shall read:—

10 All policies issued prior to the first day of
11 January in the year nineteen hundred and one

12 by any domestic life insurance company shall be
13 subject to the provisions of law limiting forfeiture,
14 applicable and in force at the date of their issue.
15 No policy of life or endowment insurance issued
16 by any such company after the thirty-first day of
17 December in the year nineteen hundred shall
18 become forfeit or void for non-payment of pre-
19 mium after two full annual premiums have been
20 paid thereon; but in case of default in the pay-
21 ment of any subsequent premium, then without
22 any further stipulation or act such policies shall
23 be binding upon the company for the amount of
24 paid up insurance which the then net value of the
25 policy and all dividend additions thereon, com-
26 puted by the rule of section eleven, less any in-
27 debtedness to the company on account of said
28 policy, and less the surrender charge provided
29 herein, will purchase as a net single premium for
30 life or endowment insurance maturing or termi-
31 nating at the time and in the manner provided in
32 the original policy contract; and such default
33 shall not change or affect the conditions or terms
34 of the policy, except as regards the payment of
35 premiums and the amount payable thereon. Said
36 surrender charge, unless fixed at a smaller rate
37 by the policy, shall be five per centum of the
38 present value of the future net premiums at the
39 date of default, which by its terms said policy is
40 exposed to pay in case of its continuance, com-
41 puted upon the rate of mortality and interest
42 assumed in section eleven. But any company
43 may contract with its policy holders to furnish,

44 in lieu of the paid up insurance provided for in
45 this section, any other form of life insurance
46 lawful in this Commonwealth, of not less value.
47 Every such paid up policy shall have a cash sur-
48 render value, which shall be its net value less any
49 indebtedness to the company on account of said
50 policy, and every policy which by its own terms
51 has become paid up shall have a cash surrender
52 value, which shall be its net value, less five per
53 centum of one net premium, and the whole of any
54 paid up policy may upon any anniversary of its
55 issue surrender the same and claim and recover
56 from the company such surrender value and cash.
57 But no surrender of a policy shall be made with-
58 out the written assent of the person to whom the
59 policy is made payable. On policies of prudential
60 or industrial insurance on which the weekly
61 premiums are not more than fifty cents each the
62 surrender value shall in all cases be payable in
63 cash, which shall be a legal claim for not more
64 than two years from the date of lapse. Any con-
65 dition or stipulation in the policy or elsewhere
66 contrary to the provisions of this section, and any
67 waiver of such provisions by the insured, shall
68 be void.

