

HOUSE . . . . . No. 4.

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Commonwealth of Massachusetts.

OFFICE OF THE SECRETARY, BOSTON, Jan. 1, 1908.

Hon. JOHN N. COLE, *Speaker, House of Representatives.*

SIR:—I have the honor to transmit herewith, for the use of the General Court, a communication received from the insurance commissioner recommending certain amendments to chapter 576, Acts of 1907.

Very respectfully,

WM. M. OLIN,  
*Secretary.*

## Commonwealth of Massachusetts.

Dec. 31, 1907.

Hon. WILLIAM M. OLIN, *Secretary of the Commonwealth.*

DEAR SIR:— By virtue of the requirements of Revised Laws, chapter 18, section 6, I have to recommend the following amendments to the insurance laws of the Commonwealth as contained in chapter 576, Acts of 1907:—

(1) That section 93 of said chapter be amended by substituting for the sentence beginning with the words "All such licenses" and ending with the words "to act for it," these words:—

Unless revoked by the commissioner for non-compliance with the laws, or unless the company by written notice to said commissioner cancels the agent's authority to act for it, such license or renewal thereof shall expire on the thirtieth day of June next after its issue, but any license may be renewed by the company from July first on the payment for such renewal of two dollars on or before the expiration thereof.

This recommendation is made for the reason that the law, as it now stands, does not provide for the termination of all licenses and renewals thereof.

(2) That the following words be inserted after the word "designated," in line 37 of section 80 of said chapter, viz.:—

But in case of an endowment policy, if the sum applicable to the purchase of temporary insurance shall be more than sufficient to continue the insurance to the end of the endowment term named in the policy, the excess shall be used to purchase

in the same manner non-participating paid-up pure endowment, payable at the end of the endowment term on the same conditions.

This provision is necessary as it might happen, upon the lapse of an endowment policy, that the amount of the insured's equity would be sufficient to carry the policy beyond the term for which it was taken, and any such excess shall be used in purchasing an endowment.

(3) Amend section 88 of said chapter by inserting after the word "and," in the tenth line of said section, the words: — within five days thereafter, — and by substituting for the word "thereof," in the twelfth line of said section, the words: — of said affidavit.

This amendment is necessary, as it subjects the applicant for insurance to great delay if the broker must file the affidavit with the insurance commissioner before the risk can be bound. It is important that the affidavit be filed, but not that it be filed before the risk it covers is bound.

(4) Amend section 116 of said chapter by striking out the words "or agent," in the first line thereof.

This is necessary, as the agent is not included in the prohibitions of sections 43 and 82.

Respectfully yours,

FRANK H. HARDISON,  
*Insurance Commissioner.*

