

HOUSE No. 657.

Bill accompanying the petition of Richard F. Barrett for legislation to permit the classification of dividends of mutual fire insurance companies according to the character of the risk insured. Insurance. January 21.

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eight.

AN ACT

Relative to the Distribution and to the Apportionment of Dividends of Mutual Fire 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 Section forty-seven of chapter five hundred and
2 seventy-six of the Acts of the year nineteen hundred
3 and seven is hereby amended by adding after the word
4 “Year,” in the third line thereof, the following:—and
5 may apportion such dividend among all participating
6 policies issued by the company according to the character
7 or the classification of risks thereby insured, but policies
8 insuring risks in this Commonwealth of the same char-
9 acter and classification shall be given the same rate of
10 dividends,—so as to read as follows:— *Section 47.* The

11 directors of any mutual fire insurance company may,
12 from time to time, by vote, fix and determine the amount
13 to be paid as a dividend upon policies expiring during
14 each year and may apportion such dividend among all
15 participating policies issued by the company according to
16 the character or the classification of risks thereby insured,
17 but policies insuring risks in this Commonwealth of the
18 same character and classification shall be given the same
19 rate of dividend. Each policy holder of a domestic
20 company, and each Massachusetts policy holder of a
21 foreign company, shall be notified at his last known
22 address within six months after the expiration of his
23 policy of the amount of any dividend declared and pay-
24 able thereon, unless in the meantime such dividend has
25 been paid in cash or applied in payment of the premium
26 on the renewal of the policy.