

HOUSE No. 625

Bill accompanying the petition of Donald A. McDonald and another for legislation relative to prudential and industrial insurance companies. Insurance. January 16.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eleven.

AN ACT

Relative to Prudential and Industrial 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 1. No insurance company doing business
2 in this commonwealth on the industrial or weekly
3 premium plan shall issue on the life of any person in
4 this commonwealth any amount of insurance on the
5 industrial or weekly premium plan larger than one
6 hundred dollars.

1 SECTION 2. All insurance companies doing business
2 in this commonwealth on the prudential, industrial or
3 weekly premium plan shall, in case sufficient profit has
4 been earned by such company for that purpose, issue

5 and pay to each policy holder, holding a policy under
6 such plan, a fair dividend based on its earnings, and
7 each policy holder as aforesaid shall be paid such
8 dividend in cash at the expiration of two years from the
9 date of such policy and each year thereafter while said
10 policy shall remain in force.

1 SECTION 3. No insurance company doing business in
2 this commonwealth on the prudential, industrial or
3 weekly premium plan shall within six months from the
4 time of the surrender of any policy issued under said
5 plan issue to the person or persons so surrendering any
6 new policy, or policies, under said plan.

1 SECTION 4. All policies of insurance issued in this
2 commonwealth under the prudential, industrial or
3 weekly premium plan shall be in full and immediate
4 benefit from the date of the issue thereof for the amount
5 of such policy.

1 SECTION 5. In case of the death of any person in-
2 sured in any company in this commonwealth under the
3 prudential, industrial or weekly premium plan at any
4 time within thirteen weeks from the date at which the
5 last payment of premium was made, such company shall
6 be liable for, and shall pay to the beneficiary named
7 in such policy, the full amount of such policy.

1 SECTION 6. No insurance company doing business
2 in this commonwealth on the prudential, industrial or
3 weekly premium plan shall accept any advance premium
4 on any policy issued under said plan which shall be
5 greater than the amount of one weekly premium.

1 SECTION 7. Every insurance company doing busi-
2 ness in this commonwealth on the prudential, industrial
3 or weekly premium plan shall, in the event of the lapse
4 of any policy issued under said plan, within one month
5 after such lapse, notify, in writing, the person to whom
6 such policy is issued of such lapse, stating accurately in
7 such notice the actual cash surrender value of such
8 policy at the time of such lapse.

1 SECTION 8. For any violation of the provisions of
2 this act every insurance company shall be liable to a
3 fine of not less than one thousand dollars.

