

# HOUSE . . . . No. 563

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Bill accompanying the petition of Fred S. Elwell relative to the separation of investment and life insurance. Insurance. January 11.

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## The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Seventeen.

### AN ACT

To authorize the Separation of Investment and 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 1. Any life insurance company doing busi-  
2 ness in this commonwealth may issue endowment or  
3 limited payment life policies by separating the invest-  
4 ment part thereof from the life insurance part thereof.  
5 Any applicant for an endowment or limited payment life  
6 policy shall have the option of taking the present form  
7 of endowment or limited payment life policy or the en-  
8 dowment or limited payment life policy which separates  
9 the investment part thereof from the life insurance part  
10 thereof. Any such company may issue to the holder of  
11 any ordinary life policy, either at the time of issuance  
12 of such policy or at any anniversary thereof, a con-  
13 tract whereby such company shall agree at the expiration

14 of any fixed period which may be agreed upon to endorse  
15 such policy as fully paid up, no further premiums to be  
16 required; or whereby the company shall agree that at the  
17 expiration of such period such policy shall mature as an  
18 endowment policy and the face thereof be paid to the  
19 insured. Such additional contract shall provide for par-  
20 ticipation by the insured in the earnings of the company  
21 and for the payment to the beneficiary under the policy,  
22 in case of the death of the insured prior to the expira-  
23 tion of such period, in addition to the face of the policy,  
24 of an amount at least equal to the sum of the additional  
25 net premiums paid in under the contract at the date of  
26 death, with interest compounded at three per cent, and  
27 of any additional amount earned by such participation;  
28 and such additional contract shall have a cash surrender  
29 value on any anniversary of its issue of an amount at  
30 least equal to the sum of the net premiums paid thereon  
31 prior to such anniversary with interest compounded at  
32 three per cent, and of any additional amount earned by  
33 such participation less a surrender charge not exceeding  
34 two and one half dollars for each thousand insurance  
35 in force.

1 SECTION 2. This act shall take effect upon its passage.



