

accident and to its members and their dependent wives, husbands, parents and children under eighteen for hospital or surgical expenses, or both, not exceeding a total of eight hundred dollars in any twelve consecutive months, and in addition may pay death or funeral benefits for its members not exceeding three hundred dollars in any one case, but except as aforesaid shall not engage in the business of insurance.

Approved May 21, 1945.

Chap. 313 AN ACT RELATIVE TO GROUP ANNUITY CONTRACTS.

Be it enacted, etc., as follows:

SECTION 1. Chapter one hundred and seventy-five of the General Laws is hereby amended by inserting after section one hundred and thirty-two, as amended, the five following sections: — *Section 132A.* A group annuity contract is hereby defined to be a contract issued by a company (a) to a person, firm or corporation, as employer, and providing for the payment of annuities on all of his or its employees or any specified class or classes thereof, and which requires that the considerations or stipulated payments shall be paid by the employer or by the employer and the employees jointly; or (b) to a trustee or trustees appointed under an agreement executed by a person, firm or corporation as employer to administer a plan of annuities or a plan of annuities and other benefits, which permits all his or its employees or any specified class or classes thereof to become annuitants and which requires that the considerations or stipulated payments shall be paid either by the employer, or by the employer and his employees jointly, or with gifts or other voluntary contributions received by such trustee or trustees.

The word "employees", as used in this section, shall include retired employees and officers and managers of any employer and, in the case of a corporation, the employees of its subsidiary or affiliated corporations, and the individual proprietors, partners and employees of affiliated individuals and firms controlled by the holder through stock ownership, contract or otherwise.

The word "annuitant", as used in this section and sections one hundred and thirty-two B and one hundred and thirty-two C, shall mean any person on whose life an annuity is payable under a group annuity contract.

The word "holder", as used in this section and sections one hundred and thirty-two B and one hundred and thirty-two D, shall mean the person, firm, trustee or trustees, or corporation, to whom or to which a group annuity contract is issued.

Section 132B. No group annuity contract shall be issued or delivered in the commonwealth, except as provided in section one hundred and thirty-two A, nor until a copy of the form thereof has been on file for thirty days with the commissioner unless before the expiration of such thirty

G. L. (Ter. Ed.), 175, new §§ 132A-132E, added.

Group annuity contracts defined.

"Employees", defined.

"Annuitant", defined.

"Holder", defined.

Issuance of contracts regulated.

Form and contents of contract.

days he shall have approved in writing the form of the contract; nor if the commissioner notifies the company in writing within said thirty days that in his opinion the form of the contract does not comply with the laws of the commonwealth, specifying his reasons therefor; provided, that such action of the commissioner shall be subject to review by the supreme judicial court; nor shall any such contract be so issued or delivered unless it contains in substance the following provisions:—

1. That the holder is entitled to thirty days of grace within which the payment of any considerations or stipulated payments falling due on the contract after one year from its date of issue may be made, subject, at the option of the company, to an interest charge at a rate, to be specified in the contract, not exceeding six per cent per annum for the number of days of grace elapsing before payment of the considerations or stipulated payments.

2. That (1) the contract, or (2) a provision that the contract and the application of the holder, a copy of which shall be attached thereto, or (3) a provision that the contract and the application of the holder, a copy of which shall be attached thereto, and the individual applications of the annuitants filed with the company and referred to in the contract, shall constitute the entire agreement between the parties.

3. That if the sex, age, service, salary or any other fact affecting the amount of any considerations or stipulated payments payable to the company or the amount or the date or dates of payment of any benefits with respect to any annuitant has been misstated, the considerations or stipulated payments, or the benefits, or both, shall be the amount which would have been payable if such fact or facts had not been misstated, and that, in no case, shall the company be liable to pay any greater benefit with respect to any annuitant than that which would be payable on the basis of the true facts and the actual considerations or stipulated payments received by the company.

4. That in case of the termination, otherwise than by death, of the employment of an annuitant or the discontinuance of the payment of considerations or stipulated payments under the contract, an annuitant who contributes to such considerations or payments shall be entitled to a paid-up annuity, payable commencing on a fixed date, based upon the same mortality table, rate of interest and loading formula used by the company in computing such considerations or payments; that such annuity shall be for an amount at least equal to that purchased by the contributions of the annuitant, determined as of the respective dates of payment of his several contributions, as shown by a schedule which shall be included in the contract; that, if the amount of such paid-up annuity is less than sixty dollars annually, the company may, at its option, in lieu of such paid-up annuity, pay as a cash surrender value an amount at least equal to ninety-

six per cent of the aggregate amount of the annuitant's contributions, without interest, and that such value may be paid either in a single sum or in equal instalments over a period of not more than twelve months; and that, in case of the death of the annuitant prior to the commencement date of the annuity, the company shall pay a death benefit at least equal to the aggregate amount of the annuitant's contributions, without interest, but not exceeding the aggregate amount of the considerations or stipulated payments made to the company on account of the annuitant, with interest.

5. That the company will issue to the holder of the contract, for delivery to each annuitant who contributes to the considerations or stipulated payments thereunder, an individual certificate setting forth a summary of the benefits to which he is entitled under the contract.

6. That, in the case of a participating contract, any dividend or dividends apportioned thereunder by the company shall be paid in cash to the holder for his or its own benefit; or a provision that any such dividend or dividends shall be applied in reduction of the considerations or stipulated payments, or portion thereof, paid or payable by the holder; or a provision that any such dividend or dividends may be paid in cash or applied, as aforesaid.

7. That, in case of a non-participating contract that provides for experience rating credits, any such credit or credits which may be allowed by the company shall be paid in cash to the holder of the contract for his or its own benefit; or a provision that any such credit or credits shall be applied in reduction of the considerations or stipulated payments, or portion thereof, paid by the holder; or a provision that any such credit or credits may be paid in cash or applied, as aforesaid.

Any such contract may, at the option of the company, provide that, in case of the termination, otherwise than by death, of the employment of an annuitant or the discontinuance of the payment of considerations or stipulated payments thereunder, benefits shall be payable to the holder, and, in such a case, the contract shall specify the nature and the basis of the ascertainment of any such benefits.

Any such contract may, by mutual agreement of the company and the holder, contain any provision which is required or authorized by, or is necessary to conform the contract to, or to give the holder the benefit of, any federal statute or any rule or regulation of the United States Treasury Department.

Provisions numbered 3 and 4, and no other such provision, shall be required to be contained in substance in the certificate mentioned in provision numbered 5.

A group annuity contract, and any certificate issued thereunder, shall be deemed to contain in substance any provision required by this section when in the opinion of the commissioner the provision is stated in terms more favor-

able to the annuitants or not less favorable to the annuitants and more favorable to the holder.

Section 132C. No group annuity contract, nor the proceeds or benefits thereof, shall be liable, either before or after payment, to be seized, taken, appropriated or applied by any legal or equitable process or operation of law to pay any debt or liabilities of the annuitant or his beneficiary or any other person having any right thereunder; nor shall the benefits or proceeds upon the death of an annuitant, when not made payable to a beneficiary, constitute a part of the estate of the annuitant for the payment of his debts.

Exemption from attachment, etc.

Section 132D. Under any group annuity contract issued by a domestic mutual life company, the holder only shall be a member of the company, and entitled to one vote by virtue of such contract at the meetings of the company.

Holder to be member of company, when.

Section 132E. The term "annuity" or "annuity contract" when used in this chapter, except in sections one hundred and twenty-nine, one hundred and thirty and one hundred and thirty-two, shall include a group annuity contract unless the context otherwise requires or a different meaning is specifically prescribed.

Terms "annuity" or "annuity contract" defined.

SECTION 2. Section ninety-four of said chapter one hundred and seventy-five, as amended, is hereby further amended by striking out the first paragraph, as most recently amended by section two of chapter five hundred and thirty-two of the acts of nineteen hundred and forty-three, and inserting in place thereof the following paragraph: —

G. L. (Ter. Ed.), 175, § 94, etc., amended.

Except as provided in this section and in sections thirty-six, one hundred and thirty-two D and one hundred and thirty-seven, every person insured under a policy of life or endowment insurance issued by a domestic mutual life company shall be a member thereof and entitled to one vote, and one vote additional for each five thousand dollars of insurance in excess of the first five thousand dollars, every person holding an annuity or pure endowment contract issued by any such company shall be a member thereof and entitled to one vote and, in the case of an annuity contract, one vote additional for each one hundred and fifty dollars of annual annuity income in excess of the first one hundred and fifty dollars, and, except as provided in section one hundred and ten, every person insured under any policy of insurance issued by any such company under clause Sixth of section forty-seven shall be a member thereof and entitled to one vote. Holders of such policies or contracts shall be notified of the annual meetings of the company by written notice, or by an imprint in the form prescribed by section seventy-six upon the filing back of its policies or contracts, or, in the case of policies upon which premiums are payable monthly or oftener, on some other prominent place on each policy, and also upon premium receipts or certificates of renewal.

Mutual life companies, members, etc.

SECTION 3. Section one hundred and forty-four of said chapter one hundred and seventy-five, as most recently amended by section three of chapter two hundred and

G. L. (Ter. Ed.), 175, § 144, etc., amended.

twenty-seven of the acts of nineteen hundred and forty-three, is hereby further amended by adding at the end thereof the following new subdivision: —

Section not to apply to certain group annuity contracts.

11. Nothing in this section shall apply to group annuity contracts as defined in section one hundred and thirty-two A.

SECTION 4. The provisions of section one hundred and forty-four of said chapter one hundred and seventy-five, as in force immediately prior to the effective date of chapter two hundred and twenty-seven of the acts of nineteen hundred and forty-three, shall not apply to group annuity contracts as defined in section one of this act.

SECTION 5. The provisions of this act shall apply only to group annuity contracts as defined in section one of this act, issued or delivered in the commonwealth after the effective date of this act, but any life insurance company may, upon the request of the holder of any group annuity contract issued prior to said date, whether or not it is a group annuity contract as defined in said section one, amend such contract to incorporate therein in substance any provision or provisions mentioned in said section one.

Approved May 21, 1945.

Chap. 314 AN ACT ESTABLISHING THE DENNIS SOUTH WATER DISTRICT
IN THE TOWN OF DENNIS.

Be it enacted, etc., as follows:

SECTION 1. The inhabitants of the town of Dennis, liable to taxation in said town and residing within the territory comprised within the following boundary lines, to wit:—beginning at the intersection of the boundary line between the town of Dennis and the town of Harwich with Nantucket sound and running westerly by Nantucket sound to the boundary line between the town of Dennis and the town of Yarmouth, located in Bass river; and thence northerly by the boundary line between the town of Dennis and the town of Yarmouth to the center line of Setucket road; and thence turning and running easterly by the center line of Setucket road to the boundary line between the town of Dennis and the town of Brewster; and thence turning and running southerly by the boundary line between the town of Dennis and the town of Brewster to the center line of Airline road; and thence southerly by the center line of Airline road to the center line of Old Chatham road; and thence turning and running southeasterly by the center line of Old Chatham road to the boundary line between the town of Dennis and the town of Harwich; and thence turning and running southerly by the boundary line between the town of Dennis and the town of Harwich to Nantucket sound, the point of beginning, — shall constitute a water district and are hereby made a body corporate by the name of the Dennis South Water District, hereinafter called the district, for the purpose of supplying themselves with water