

HOUSE . . . . . No. 1000.

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Commonwealth of Massachusetts.

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HOUSE OF REPRESENTATIVES, March 8, 1897.

The committee on Insurance, to whom was referred the Bill (introduced on leave) relative to assessments by mutual fire insurance companies (House, No. 660) report that the same ought to pass in a new draft herewith submitted.

For the Committee,

FRANK W. ESTEY.

## Commonwealth of Massachusetts.

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In the Year One Thousand Eight Hundred and Ninety-seven.

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### AN ACT

Relative to Assessments by 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 1. Section forty-four of chapter five hun-  
2 dred and twenty-two of the acts of the year eighteen  
3 hundred and ninety-four, is hereby amended by striking  
4 out in the nineteenth line thereof the words "two years,"  
5 and inserting in place thereof "one year." So that said  
6 section as amended will read as follows:

7 *Section 44.* The directors of any mutual fire insur-  
8 ance company may, from time to time, by vote, fix and  
9 determine the amount to be paid as a dividend upon pol-  
10 icies expiring during each year. In the year eighteen  
11 hundred and ninety-five, and at the expiration of each  
12 term of five years thereafter, the directors shall, subject  
13 to the provisions of section forty-three, apportion as an  
14 extra dividend, according to their best judgment, pro-  
15 portionately to the holders of policies which have expired

16 during the preceding five-year period, the entire remain-  
17 ing net profits. Any such dividends remaining uncalled  
18 for on the thirty-first day of December, in the year  
19 eighteen hundred and ninety-nine, and at the end of each  
20 five-year period thereafter, shall be forfeited to the com-  
21 pany. Each policy holder shall be liable to pay his pro-  
22 portional part of any assessments which may be laid by  
23 the company in accordance with law and his contract on  
24 account of losses and expenses incurred while he was a  
25 member, provided he is notified of such assessment  
26 within one year after the expiration of his policy. Mu-  
27 tual companies which make not less frequently than an-  
28 nually an entire apportionment and division of earnings  
29 or profits, shall not be subject to the provisions of sec-  
30 tions forty-three and forty-four.

1 SECT. 2. The closing paragraph of section forty-eight  
2 of said chapter five hundred and twenty-two is hereby  
3 amended by striking out in the second line of said para-  
4 graph the words "two years," and inserting in place  
5 thereof the words "one year." So that said closing  
6 paragraph of such section shall read as follows :

7 No assessment shall be valid against a person who has  
8 not been duly notified thereof within one year after the  
9 expiration or cancellation of his policy. And when an  
10 assessment is ordered the directors shall forthwith cause  
11 written notice and demand for payment to be made upon  
12 each person subject thereto by mail or personal service.

1 SECT. 3. This act shall take effect upon its passage.

