

HOUSE No. 748

Bill accompanying the petition of Lincoln R. Welch for legislation relative to return of premiums by mutual fire insurance companies. Insurance. January 25.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Ten.

AN ACT

Relative to the Distribution and to the Apportionment of the Return of Premiums 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-seven of chapter five hun-
2 dred and seventy-six of the acts of the year nineteen hun-
3 dred and seven, as amended by chapter four hundred and
4 eighty-two of the acts of nineteen hundred and eight and
5 as further amended by chapter three hundred and ninety
6 of the acts of nineteen hundred and nine, is hereby fur-
7 ther amended by striking out said section forty-seven and
8 inserting in place thereof a new section to read as follows:
9 — *Section 47.* From time to time, the directors of a
10 mutual fire insurance company, may, by vote, fix and

11 determine the percentage of return of premium to be paid
12 on expiring policies issued by the company, and may in
13 their discretion, fix and determine a different percentage
14 of return of premium or dividend for policies of each
15 different classification of risk insured. But policies insur-
16 ing risks in this commonwealth in the same classification,
17 shall have an equal rate of dividend or return of pre-
18 mium.

19 Any such company may hold cash assets in excess of its
20 liabilities, but such excess shall be limited to **two** per cent
21 of its insurance in force, shall be subject to the provisions
22 of law relative to the investment of the capital stock of
23 insurance companies on the stock plan, and may be used
24 from time to time in payment of losses, dividends and
25 expenses.

26 Each policy holder of a domestic company, and each
27 Massachusetts policy holder of a foreign company, shall
28 be notified at his last known address within six months
29 after the expiration of his policy of the amount of any
30 dividend declared and payable thereon, unless in the
31 meantime such dividend has been paid in cash or applied
32 in payment of the premium on the renewal of the policy.

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