

SENATE.....No. 40.

Commonwealth of Massachusetts.

IN SENATE, March 14, 1851.

The Joint Committee on Mercantile Affairs and Insurance, to whom was committed the petition of Gardiner Dickinson and others, praying for an act of incorporation for a Mutual Life Insurance Company, report the accompanying Bill.

BENJ. SEAVER. *Chairman.*

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Fifty-One.

AN ACT

To Incorporate the Bay State Mutual Life Insurance Company.

BE it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, as follows :

1 SECT. 1. Gardiner Dickinson, Austin Rice, Anson
2 Shepherd, Franklin Childs, their associates and suc-
3 cessors, are hereby made a corporation, by the name
4 of the Bay State Mutual Life Insurance Company,
5 in the town of Conway, for the purpose of making
6 insurance on lives, with all the powers and privileges,
7 and subject to all the duties, liabilities and restric-
8 tions, set forth in the forty-fourth chapter of the Re-
9 vised Statutes.

1 SECT. 2. There shall be an original guaranty cap-
2 ital stock subscribed to the said corporation, which
3 shall be thousand dollars, to be divided into
4 shares by the corporation, half of which shall be
5 paid in, in money, before the said corporation shall
6 go into operation for the purpose of making insur-
7 ance; the other half of said stock may be called for

8 by the directors, from time to time, when they deem
9 it necessary or expedient, and shall be paid in by
10 the holders of the stock, which shall always stand
11 pledged to the corporation for all such assessments
12 so called for.

1 SECT. 3. At the first meeting of the corporation, a
2 number of directors, not less than eight, shall be
3 chosen by the subscribers to the guaranty stock, who
4 shall hold their offices for one year, and until others
5 are chosen in their stead ; at all subsequent elections
6 of directors, the number shall be such as may be
7 provided for by a previous vote of the directors, not
8 less than seven, or by-law of the corporation ; and in
9 case of no provision on this subject, the number
10 shall be the same as at the first election, one half of
11 whom shall be elected by the stockholders and the
12 other half by the assured, voting in separate bodies ;
13 the directors shall all be either stockholders or as-
14 sured, and, on ceasing to be such, shall cease to hold
15 said office.

1 SECT. 4. Whenever the net surplus receipts of
2 the corporation over the losses and expenses, and,
3 after providing for risks, shall be sufficient for the
4 purpose, the stockholders shall be entitled to an
5 annual dividend of seven per centum, or to such less
6 dividend as may be agreed upon at the time of sub-
7 scribing for the stock ; and in case such dividend not
8 being made in one year, it shall be made good at a
9 subsequent period, when the net resources of the
10 company shall be sufficient for paying the same.

1 SECT. 5. The funds of said corporation shall be
2 invested in stocks of the United States, of the state
3 of Massachusetts, of the city of Boston, and in notes,

4 secured by mortgage of unincumbered real estate in
5 this Commonwealth, worth three times the amount
6 loaned thereon. Said company may hold real estate
7 to an amount not exceeding ten thousand dollars, for
8 the purpose of securing suitable offices for the insti-
9 tution.

1 SECT. 6. After providing for risks, losses, inci-
2 dental expenses and dividends, as aforesaid, the direc-
3 tors shall set apart one quarter of the estimated sur-
4 plus funds and receipts as a reserved fund, to be
5 applied to the redemption of the guaranty stock;
6 and whenever, after the expiration of ten years from
7 the time of organizing the company, the amount of
8 such reserved fund shall be sufficient for the purpose,
9 and the assured shall vote to redeem the said guaran-
10 tee stock, the same shall be redeemed.

1 SECT. 7. Upon the redemption and extinguish-
2 ment of the guaranty stock, under the provisions of
3 the sixth section, the directors shall be chosen by the
4 assured.

1 SECT. 8. At the expiration of every period of five
2 years from the time of the organization of the com-
3 pany, the remaining three quarters of the estimated
4 surplus funds and receipts, shall be reimbursed to
5 and among the assured, in proportion to the whole
6 amount of premiums paid during the preceding five
7 years.

1 SECT. 9. The said corporation shall, on the third
2 Monday of January, in every year, pay over to the
3 trustees of the Massachusetts General Hospital, one
4 third of the net profits, if any, which shall have
5 arisen from insurance on lives, made during the pre-
6 ceding year.