

Chap.362 AN ACT TO PROVIDE FOR THE COMPLETION AND DECORATION OF
MEMORIAL HALL IN THE STATE HOUSE.

Be it enacted, etc., as follows:

Completion and
decoration of
Memorial Hall
in the state
house.

For the completion and decoration of Memorial Hall and the approaches thereto the governor, the lieutenant governor and the state house construction commissioners are hereby authorized to use the whole or any part of the balances remaining from the State House Construction Loan Fund and the State House Loan Fund, 1901, in addition to any unexpended part of the appropriation for Memorial Hall. The decorations herein provided for shall consist, so far as paintings are concerned, of subjects connected with the history of Massachusetts.

Approved May 31, 1900.

Chap.363 AN ACT RELATIVE TO LIFE INSURANCE.

Be it enacted, etc., as follows:

1894, 522, § 11,
amended.

SECTION 1. Section eleven of chapter five hundred and twenty-two of the acts of the year eighteen hundred and ninety-four is hereby amended by striking out the whole of said section and inserting in place thereof the following:— *Section 11.* He shall each year compute the reserve liability on the thirty-first day of December of the preceding year of every company authorized to make insurance on lives in this Commonwealth, in accordance with the rules following, namely:—

Insurance
commissioner
to value policies
of life com-
panies annually.

Rules of
valuation.

First. The net value on the last day of December of the preceding year of all outstanding policies of life insurance in the company issued before the first day of January in the year nineteen hundred and one shall be computed upon the basis of the "Combined Experience" or "Actuaries' Table" of mortality, with interest at four per cent per annum.

Second. The net value on the last day of December of the preceding year of all outstanding policies of life insurance issued after the thirty-first day of December in the year nineteen hundred shall be computed upon the basis of the "American Experience Table" of mortality, with interest at three and one half per cent per annum: *provided, however,* that any such life insurance company may at any time elect to reserve upon a three per cent basis, and thereupon its policies issued upon such reserve

shall be computed upon the basis of the "American Experience Table" of mortality, with interest at three per cent per annum.

Third. In every case where the actual premium charged for an insurance is less than the net premium for such insurance, computed according to its respective tables of mortality and rate of interest aforesaid, the company shall also be charged with the value of an annuity, the amount of which shall equal the difference between the premium charged and that required by the rules above stated, and the term of which in years shall equal the number of future annual payments due on the insurance at the date of the valuation.

Fourth. The aggregate net value so ascertained of all the policies of any such company shall be deemed its reserve liability, to provide for which it shall hold funds in secure investments of an amount equal to such net value above all its other liabilities.

To determine the liability upon its contracts of insurance of an insurance company, other than life and real estate title insurance, and the amount such company shall hold as a reserve for reinsurance, he may take fifty per cent or the actual unearned portion of the premiums written in its policies; but in respect to marine risks he shall compute the liability thereon by charging sixty per cent of the amount of premiums written in its policies upon yearly risks, and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other marine risks not terminated: *provided*, that in the case of foreign fire and marine insurance companies with less than three hundred thousand dollars capital, admitted to transact fire insurance only in this Commonwealth, the full amount of premiums written in their marine and inland navigation and transportation insurance policies shall be charged as liability.

He shall allow to the credit of an insurance company in the account of its financial condition only such assets as are immediately available for payment of losses in Massachusetts, but may credit any deposits or funds of the company set apart as security for a particular liability in set-off to the amount charged on account of such liability.

He shall not allow stockholders' obligations of any description as part of the assets or capital of any stock in-

Rule for computation of reserves for reinsurance or policy liability.

Proviso.

What assets are admissible.

Not to allow stockholders' obligations unless secured.

insurance company, unless the same are secured by competent collateral.

1894, 522, § 75,
amended.

Distribution of
surplus.

SECTION 2. Section seventy-five of said chapter five hundred and twenty-two is hereby amended by striking out the whole of said section and inserting in place thereof the following: — *Section 75.* The directors of any domestic life insurance company, out of the funds remaining after providing for the reserve required under section eleven, and for all other liabilities, may from time to time make to policy holders not in arrears distributions of surplus not inconsistent with the terms of their policies. Such distributions to policy holders shall be made upon the contribution to surplus plan.

1894, 522, § 76,
amended.

Non-forfeiture
of policies.

SECTION 3. Section seventy-six of said chapter is hereby amended by striking out the whole of said section and inserting in place thereof the following: — *Section 76.* All policies issued prior to the first day of January in the year nineteen hundred and one by any domestic life insurance company shall be subject to the provisions of law limiting forfeiture, applicable and in force at the date of their issue. No policy of life or endowment insurance issued by any such company after the thirty-first day of December in the year nineteen hundred shall become forfeit or void for non-payment of premium after three full annual premiums have been paid thereon; but in case of default in the payment of any subsequent premium, then without any further stipulation or act such policy shall be binding upon the company for the amount of paid up insurance which the then net value of the policy and all dividend additions thereon, computed by the rule of section eleven, less any indebtedness to the company on account of said policy, and less the surrender charge provided herein, will purchase as a net single premium for life or endowment insurance maturing or terminating at the time and in the manner provided in the original policy contract; and such default shall not change or affect the conditions or terms of the policy, except as regards the payment of premiums and the amount payable thereon. Said surrender charge, unless fixed at a smaller rate by the policy, shall be five per cent of the present value of the future net premiums at the date of default, which by its terms said policy is exposed to pay in case of its continuance, computed upon the rate of mortality and interest assumed in section eleven. But any company may con-

Paid up and
cash surren-
der values, etc.

tract with its policy holders to furnish, in lieu of the paid up insurance provided for in this section, any other form of life insurance lawful in this Commonwealth, of not less value. Every such paid up policy shall have a cash surrender value, which shall be its net value, less any indebtedness to the company on account of said policy, and every policy which by its own terms has become paid up shall have a cash surrender value, which shall be its net value, less five per cent of one net premium, and the holder of any paid up policy may upon any anniversary of its issue surrender the same and claim and recover from the company such surrender value in cash. But no surrender of a policy shall be made without the written assent of the person to whom the policy is made payable. On policies of prudential or industrial insurance on which the weekly premiums are not more than fifty cents each the surrender value shall in all cases be payable in cash, which shall be a legal claim for not more than two years from the date of lapse. Any condition or stipulation in the policy or elsewhere contrary to the provisions of this section, and any waiver of such provisions by the insured, shall be void.

Certain policies to have a cash surrender value.

Payment to be in cash, etc.

SECTION 4. So much of any act as is inconsistent herewith is hereby repealed; but nothing herein shall be taken to affect or repeal chapter two hundred and twenty-nine of the acts of the year eighteen hundred and ninety-nine.

Repeal, etc.

SECTION 5. This act shall take effect upon its passage.

Approved June 1, 1900.

AN ACT TO AUTHORIZE THE CITY OF QUINCY TO EXPEND CERTAIN MONEY FOR SEWER CONSTRUCTION.

Chap. 364

Be it enacted, etc., as follows:

SECTION 1. The city of Quincy, for the purpose of extending its system or systems of sewers, is hereby authorized to expend any sums of money which may be paid to it by the metropolitan sewerage commissioners for the taking or sale of any of the city's property for the purposes of the south metropolitan sewer district. Chapter two hundred and seventy-nine of the acts of the year eighteen hundred and ninety-five and any act in amendment thereof shall apply to such expenditures, except as may be provided otherwise herein.

Certain money paid by the metropolitan sewerage commissioners may be expended for sewer extension, etc.

SECTION 2. The city of Quincy is hereby authorized to expend from time to time for the further extension of

Certain rates, payments, etc., may be ex-