

## SENATE.....No. 72.

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### Commonwealth of Massachusetts.

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IN SENATE, March 6, 1844.

The Joint Standing Committee on Mercantile Affairs and Insurance, to whom was referred the petition of Clarendon Harris and others, praying to be incorporated as a Life and Trust Insurance Company, have considered the same, and respectfully

### R E P O R T

the accompanying bill.

ISAAC LIVERMORE, *Chairman.*

## Commonwealth of Massachusetts.

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In the year One Thousand Eight Hundred and Forty-four.

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### AN ACT

To Incorporate the State Mutual Life Assurance Company of Worcester.

**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. John Davis, Benjamin Balch, and Clar-  
2    endon Harris, their associates and successors, are here-  
3    by made a corporation, by the name of the State Mu-  
4    tual Life Assurance Company of Worcester, for the  
5    purpose of making assurances on single lives, joint  
6    lives, and survivorships, and for making reversionary  
7    payments, on the principle of mutual contribution and  
8    mutual participation in the surplus funds, or otherwise,  
9    with all the powers and privileges, and subject to all  
10  the duties and liabilities, contained in the thirty-  
11  seventh and forty-fourth chapters of the Revised Stat-  
12  utes, so far as the same may be applicable to this cor-  
13  poration.

1     **SECT. 2.** When one hundred and fifty persons have  
2 subscribed to become members of the said company,  
3 by being assured for one or more years, or for the  
4 whole term of life, the first meeting may be called for  
5 the purpose of organizing the corporation, but only  
6 one half of the whole number of directors shall then be  
7 chosen.

8     Immediately after such organization, books shall be  
9 opened for the subscription of a guarantee capital of  
10 one hundred thousand dollars, to be divided into shares  
11 by the corporation thus organized, half of which shall  
12 be paid in cash, or secured as hereinafter provided for  
13 its investment, before the said corporation shall go  
14 into operation for the purpose of making assurances,  
15 the other half of said stock may be called for by the  
16 Directors so elected from time to time, when they  
17 deem it necessary or expedient, and shall be paid in  
18 by the holders of the stock, which shall always stand  
19 pledged to the corporation for all such assessments so  
20 called for, and said stock shall not be entitled to an  
21 annual dividend exceeding seven per centum on the  
22 amount paid in.

1     **SECT. 3.** As soon as such amount of stock shall be  
2 so subscribed and paid in as aforesaid, or made secure,  
3 a meeting shall be called of the said stockholders, and  
4 they shall elect from their own number the remaining  
5 half of the first Board of Directors; and at every fu-  
6 ture election of Directors, until the guarantee stock  
7 shall be redeemed, one half the number shall be select-  
8 ed from the assured, and the other half from the stock-  
9 holders, all to be chosen jointly.

1     **SECT. 4.** The funds of the said company shall be  
2 invested in the stocks of the United States, of the

3 state of Massachusetts, of the city of Boston, and in  
4 notes secured by bond and mortgage of unencumbered  
5 real estate in Massachusetts worth three times the  
6 amount loaned thereon.

7 The said company may hold real estate to an  
8 amount not exceeding ten thousand dollars, for the  
9 purpose of securing suitable offices for the institution.

1 SECT. 5. At the expiration of every three years  
2 after the expiration of the first year, there shall be a  
3 general investigation of the affairs of the company, for  
4 the first three years, with an estimate of the surplus  
5 funds which may remain after providing for all risks,  
6 losses, and incidental expenses. If it shall appear  
7 after the investigation, that there is a surplus fund  
8 more than equivalent to the amount of debts and  
9 claims against the funds, one third of the estimated  
10 surplus funds and receipts shall be set aside, with its  
11 accumulations, as a reserved fund, to be applied to the  
12 redemption of the guarantee stock, and whenever,  
13 after the expiration of ten years from the time of or-  
14 ganizing the corporation, the amount of such reserved  
15 funds shall be sufficient for the purpose, and the as-  
16 sured shall vote to redeem the said guarantee stock,  
17 the same shall be redeemed. The remaining two-  
18 thirds of the estimated surplus fund shall be equitably  
19 divided among the existing policies for one or more  
20 years, or for the whole term of life, in proportion to  
21 the respective amounts of premium each has paid,  
22 either by single contribution or by uniform annual con-  
23 tributions, and allocated to the original sum insured, as  
24 a bonus or revisionary addition, payable when the  
25 policy emerges and becomes a claim.

1 SECT. 6. Within thirty days after the expiration

2 of four years from the time of organizing the compa-  
3 ny, and within thirty days after the expiration of every  
4 subsequent three years, the company shall cause to be  
5 made a general balance statement of the affairs of the  
6 said company, which shall be entered in a book pre-  
7 pared for such purpose. Such statement shall con-  
8 tain—

9 1st, The amount of contributions received during  
10 the said period, and the amount of interest received  
11 from investments and loans.

12 2nd, The amount of expenses of the said company  
13 during the same period.

14 3d, The amount of losses incurred during the same  
15 period.

16 4th, The balance remaining with the said company.

17 5th, The nature of the security in which the said  
18 balance is invested or loaned, and the amount of cash  
19 on hand, and the aggregate amount of the sums as-  
20 sured in the existing policies.

21 6th, The President or Vice-President of the com-  
22 pany shall, within thirty days after the balance state-  
23 ment is made up, transmit a copy thereof, signed and  
24 sworn to by the President and Vice-President and a  
25 majority of the Directors, and also by the Auditor,  
26 Actuary or Secretary, to the Secretary of the Com-  
27 monwealth, to be by him laid before the Legislature.

1 SECT. 7. The said corporation shall on the third  
2 Monday of January every year, pay over to the Trus-  
3 tees of the Massachusetts General Hospital, one third  
4 of the net profits, if any, which shall have arisen from  
5 insurance on lives made during the preceding year.





