

SENATE....No. 57.

Commonwealth of Massachusetts.

IN SENATE, February 2, 1866.

The Joint Standing Committee on Insurance, to whom was committed the Petition of B. F. Stevens, President of the New England Mutual Life Insurance Company, for change of law in relation to distribution of surplus funds of life insurance companies, report the accompanying Bill.

Per order,

E. R. MUDGE, *Chairman.*

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Sixty-Six.

AN ACT

To change the law in relation to Distribution of Surplus Funds of Life 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 SECT. 1. All life insurance companies incorporated
2 under the laws of the Commonwealth, (which do
3 business upon the principles of mutual insurance, or
4 the members of which are entitled to share in the
5 surplus funds thereof,) may make distribution of
6 such surplus as they may have accumulated annually,
7 or once in two, three, four or five years, as the direc-
8 tors of such company may from time to time deter-
9 mine.

1 SECT. 2. In determining the surplus to be distrib-
2 uted, no company shall reserve less than the aggregate

3 net value of all the outstanding policies computed by
4 the "combined experience" or "actuaries'" rate of
5 mortality, with interest at four per cent.

1 SECT. 3. All such life insurance companies, in
2 making distribution of such surplus fund, may
3 distribute the same among their members in propor-
4 tion to the sums of money which each member has
5 contributed to the entire surplus funds to be distributed
6 among all the members, and including in such
7 contribution a just and equitable allowance for interest.

1 SECT. 4. In making such distribution, policies
2 which have become payable before the time when the
3 same is made, and after the date of the last previous
4 distribution of surplus, may share in the same
5 equitably and proportionally.

