

HOUSE.....No. 37.

[Reported by the Committee on Mercantile Affairs and Insurance.]

Commonwealth of Massachusetts.

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

AN ACT

To incorporate the Ocean Mutual Health 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. John L. Rogers, Samuel Giles, Samuel
2 Stevens, their associates and successors, are hereby
3 made a corporation, by the name of the Ocean Mu-
4 tual Health Insurance Company, to be established in
5 the town of Gloucester, for the purpose of making

6 assurances upon health, with all the powers and privi-
7 leges, and subject to all the duties, liabilities, and re-
8 strictions, set forth in the forty-fourth chapter of the
9 Revised Statutes, so far as the same may be applica-
10 ble to this corporation.

1 SECT. 2. The capital stock of said corporation
2 shall not exceed fifty thousand dollars, and shall be
3 divided into shares of twenty-five dollars each; and
4 there shall be paid into the treasury of said corpora-
5 tion, by each subscriber to the capital stock, at the
6 time of subscription, an instalment of five dollars on
7 each share of the stock by him subscribed; and the
8 remaining twenty dollars on each share, so subscribed,
9 shall, within thirty days from the time of such sub-
10 scription, be secured to be paid, by mortgage on real
11 estate, or by such endorsed promissory notes as shall
12 be approved by the directors of said corporation, and
13 shall be payable in thirty days after the demand shall
14 have been made in some newspaper printed in the
15 town of Gloucester, or in the county of Essex, or
16 the same may be made payable in regular instalments
17 at stated periods, at the discretion of the directors.

1 SECT. 3. Said corporation shall have power to
2 insure the health of such persons only as may become
3 subscribers to the capital stock, until four hundred
4 shares have been subscribed for, and the instalment
5 aforesaid has been actually paid in, and the residue of
6 such subscriptions has been secured to be paid in the
7 manner stated: but after four hundred shares of said
8 stock shall have been subscribed for, and paid in, or
9 secured, as required, the said corporation may exercise
10 all the powers and privileges conferred by this act.

1 SECT. 4. The capital stock of said corporation
2 shall be invested, at the discretion of the directors, in
3 loans secured by mortgages on unincumbered real
4 estate, of the value of at least fifty per cent. more
5 than the amount lent thereon, in stocks of the United
6 States, or of the Commonwealth of Massachusetts, of
7 any bank in this Commonwealth, or in loans to towns.
8 Said corporation may hold real estate to an amount
9 not exceeding ten thousand dollars, for the purpose of
10 securing suitable offices for the institution.

1 SECT. 5. The directors of said corporation shall,
2 on the first Monday of June, annually, cause a state-
3 ment to be made, and a balance to be struck, of the
4 affairs of said corporation; and if there shall be any
5 ascertained profits, after paying all the losses and ex-
6 penses of the year preceding, and providing for out-
7 standing risks, they shall first set apart from said
8 profits, and divide among the stockholders, a sum not
9 exceeding six per cent. per annum, on the amount of
10 capital stock actually paid in, on the stock held by
11 them, if so much remain after paying said losses and
12 expenses, and providing for said risks; and in case of
13 said dividend not being paid in any one year, it may
14 be made good at a subsequent period, when the net
15 resources of the corporation shall be sufficient for the
16 purpose.

1 SECT. 6. After providing for risks, losses, and in-
2 cidental expenses, and dividend, as provided in the
 preceding section, one half of the remaining profits,
4 if any there be, shall be reserved by the directors and
5 applied toward the payment of the capital stock, which

6 shall have been subscribed before the striking of the
7 balance of the affairs of said corporation as aforesaid ;
8 and the other moiety of said remaining profits may
9 be divided among the stockholders and the insured,
10 one half among the stockholders, the other half among
11 the insured : *provided, however,* that said annual divi-
12 dends, applications of payments on capital stock, and
13 divisions of profits among stockholders, shall never
14 exceed eight per cent. per annum on the capital stock
15 actually paid in ; but such surplus of profits over
16 eight per cent., if any, shall be divided among the
17 insured. But no dividend whatever shall be made,
18 whereby the capital stock of said corporation, sub-
19 scribed for and paid in, shall be reduced or impaired.

1 SECT. 7. All dividends remaining unpaid more
2 than one year after the same have been declared,
3 shall be advertised, by publishing the amount thereof,
4 and the names of the persons entitled thereto, for at
5 least three weeks, in some newspaper published in
6 Gloucester, or in the county of Essex ; and if not
7 called for within one year from the date of such ad-
8 vertisement, shall be forfeited to the corporation.

1 SECT. 8. The directors shall have power to require
2 every person subscribing to the stock of the corpora-
3 tion, to effect insurance therein, either upon his own
4 health or upon the health of some other person, for
5 such length of time as they shall prescribe ; and every
6 person effecting insurance in said corporation, shall
7 have the privilege of subscribing for at least one share
8 of said stock, until the whole number of shares, au-
9 thorized by this act, shall be taken up. But insurance

10 may be made and risks taken, by said corporation, at
11 the request of applicants, without their becoming
12 stockholders.

1 SECT. 9. Suits at law may be maintained by any
2 stockholder, or person insured, against said corpora-
3 tion, for losses or damages insured against by them, if
4 payment shall be withheld more than thirty days after
5 the same shall be due and payable by the terms of the
6 policy of insurance, and after said corporation shall
7 have been duly notified of such loss or damage ; and
8 no stockholder, or person insured, not being in his
9 individual capacity a party to such suit, shall be
10 deemed incompetent as a witness.

1 SECT. 10. On some day within the first thirty
2 days after the expiration of two years from the time
3 when the said company shall issue their first policy,
4 and within the first thirty days after the expiration of
5 every subsequent period of three years, the directors
6 of said company shall cause to be made a general bal-
7 ance-statement of the affairs of said company, which
8 shall be entered in a book prepared for that purpose.
9 Such statement shall contain, first, the amount of pre-
10 miums received during the said period, and the amount
11 of interest received from investments and loans ; sec-
12 ond, the amount of the expenses of said company
13 during the same period ; third, the amount of losses
14 incurred within said term ; fourth, the balance remain-
15 ing with said company ; fifth, the nature of the se-
16 curities in which the said balance is invested, and
17 the amount of cash on hand, and an account of the
18 existing policies. The president of the company

19 shall, within thirty days after said statement is com-
20 pleted, transmit a copy thereof, signed and sworn to
21 by the president and a majority of the directors, and
22 also by the treasurer, actuary, or secretary, to the
23 secretary of the Commonwealth, to be by him laid
24 before the legislature.

1 **SECT. 11.** Nothing contained in this act shall be
2 so construed, as to authorize said company to engage
3 in life insurance, or in any thing save assurance upon
4 health ; nor is it permitted to insure more than four
5 hundred dollars per annum on any one risk.