

SENATE....No. 216.

Commonwealth of Massachusetts.

IN SENATE, April 29, 1870.

The Committee on Insurance, to whom was committed the Bill relative to foreign insurance companies, an Order relative to change in the insurance laws, and an Order relative to annual meetings of mutual insurance companies, report the accompanying Bill.

Per order,

S. H. RHODES.

For the Committee.

Commonwealth of Massachusetts

In the Year One Thousand Eight Hundred and Seventy.

AN ACT

Regulating certain matters of Insurance.

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. It shall not be lawful for any insurance
2 company or association, created by or organized
3 under the laws of any foreign government, other
4 than the states of this union, or for any partnership,
5 association, firm or individual of such foreign gov-
6 ernment, or for any agent or agents of such foreign
7 company, association, partnership, firm or individual
8 to make contracts of insurance, or expose such com-
9 pany, association, partnership, firm or individual to
10 loss in this state, in any one risk or hazard to an
11 amount exceeding ten per cent. of the value of the
12 securities deposited by such company, association,
13 partnership, firm or individual with the several in-
14 surance or other departments of the states of this

15 union, for the general benefit and security of all
16 policy-holders residing in the United States, which
17 shall be immediately available for the payment of
18 losses in this state. Nor shall it be lawful for any
19 such foreign insurance company, association, partner-
20 ship, firm or individual, directly or indirectly to con-
21 tract for or effect any reinsurance of any risk taken
22 by such company, association, partnership, firm or in-
23 dividual, with any insurance company, association,
24 partnership, firm or individual not authorized to
25 transact the business of insurance in this state in
26 accordance with the laws thereof. And any viola-
27 tion of the provisions of this section shall subject the
28 party guilty of such violation to a penalty of five
29 hundred dollars for each violation, to be sued for and
30 recovered in the manner provided for the prosecution
31 and recovery of penalties prescribed by the insurance
32 laws of this state.

1 SECT. 2. All foreign insurance companies, associa-
2 tions, partnerships, firms or individuals, whether in-
3 corporated or not, transacting the business of fire,
4 marine or life insurance, or any other kind of insur-
5 ance, in this state, shall make full annual statements
6 of their condition and affairs to the insurance depart-
7 ment, in the same manner and in the same form,
8 without erasure or addition, (except necessary ex-
9 planation), and subject to the same liabilities as
10 similar companies or associations organized under the
11 laws of this state.

1 SECT. 3. In case of neglect or refusal to make
2 such annual statements, as provided in the preceding

3 section, all persons acting in this state as agents,
4 or otherwise, in transacting the business of insurance
5 for said companies, associations, partnerships, firms
6 or individuals, shall be subject to the same penalties
7 provided by law in case of the failure of any insurance
8 company or association, organized under the laws of
9 this state, to make an annual statement as now re-
10 quired by law.

1 SECT. 4. In addition to the penalties and liabilities
2 prescribed by the insurance laws of this state, any
3 foreign company, association, partnership, firm or
4 individual, and any agent or agents of such company,
5 association, firm or individual, being privy to, or
6 *participis criminis* in the violation of any of the pro-
7 visions of this act, shall thereafter forfeit the right to
8 transact, and shall be prohibited from transacting any
9 further business of insurance in this state.

1 SECT. 5. No corporation, association, partnership
2 or individual doing business in this Commonwealth,
3 under any charter, compact or agreement involving
4 an insurance, guaranty, contract or pledge for the
5 payment of annuities or endowments, or for the pay-
6 ment of moneys to the families or representatives of
7 policy or certificate-holders or members, shall make
8 such insurance, guaranty or contract therein or with
9 any residents of this state, except in accordance with
10 and under the conditions and restrictions of the stat-
11 utes now or hereafter regulating the business of life
12 insurance.

1 SECT. 6. Section sixty of chapter fifty-eight of the
2 General Statutes is hereby so amended that the an-

3 nual dividends therein authorized to be paid to stock-
4 holders shall not exceed eight per cent.

1 SECT. 7. All members of mutual life and fire in-
2 surance companies, incorporated under the laws of
3 this Commonwealth, shall be notified of the time and
4 place of holding the annual meetings of said com-
5 panies by an imprint upon the back of each policy or
6 certificate of renewal, in the following form, to wit:
7 “By virtue of this policy the holder thereof is hereby
8 notified that he is a member of the Insurance
9 Company, and that the annual meetings of said com-
10 pany are holden at its home office on the day of
11 in each year, at o'clock, .” The
12 blanks shall be duly filled in making the aforesaid im-
13 print, and the same shall be deemed a sufficient notice
14 as herein provided.

1 SECT. 8. For each certificate of the valuation of
2 the outstanding policies of any insurance company
3 doing business in this Commonwealth there shall be
4 paid the sum of two dollars, to be collected by the
5 insurance commissioner and paid into the treasury.

1 SECT. 9. This act shall take effect upon its pas-
2 sage.

