

# HOUSE . . . . No. 1134

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By Mr. Sullivan of Cambridge, petition of George W. Roberts and Jeremiah J. Sullivan for legislation relative to advisory organizations under the workmen's compensation law. Labor and Industries.

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## The Commonwealth of Massachusetts

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

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### AN ACT RELATIVE TO ADVISORY ORGANIZATIONS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Section 52C of chapter 152 of the General Laws,  
2 inserted by chapter 619 of the acts of 1945, is hereby  
3 amended by adding at the end thereof the following  
4 new subsection:—

5 (h) (1) Every group, association or other organi-  
6 zation of insurers, whether located within or outside  
7 this commonwealth, which assists insurers which  
8 make their own filings or rating organizations in  
9 rate making, by the collection and furnishing of  
10 loss or expense statistics, or by the submission of  
11 recommendations, but which does not make filings  
12 under section fifty-two of this chapter, shall be  
13 known as an advisory organization.

14 (2) Every advisory organization shall file with  
15 the commissioner (a) a copy of its constitution, its  
16 articles of agreement or association or its certificate

17 of incorporation and of its by-laws, rules and regula-  
18 tions governing its activities, (b) a list of its members,  
19 (c) the name and address of a resident of this com-  
20 monwealth upon whom notices or orders of the com-  
21 missioner or process issued at his direction may be  
22 served, and (d) an agreement that the commissioner  
23 may as often as he may deem it expedient, make or  
24 cause to be made an examination of such advisory  
25 organization. The reasonable costs of any such  
26 examination shall be paid by the advisory organization  
27 upon presentation to it of a detailed account of such  
28 costs. The officers, managers, agents and employees  
29 of such advisory organization may be examined at  
30 any time under oath and shall exhibit all books,  
31 records, accounts, documents or agreements governing  
32 its method of operation. In lieu of any such exami-  
33 nation, the commissioner may accept the report of  
34 an examination made by the insurance supervisory  
35 official of another state, pursuant to the laws of such  
36 state.

37 (3) If, after a hearing, the commissioner finds  
38 that the furnishing of such information or assistance  
39 involves any act or practice which is unfair or un-  
40 reasonable or otherwise inconsistent with any provi-  
41 sion or provisions of section fifty-two of this chapter,  
42 he may issue a written order specifying in what  
43 respects such act or practice is unfair or unreason-  
44 able or otherwise inconsistent with such provision  
45 or provisions, and requiring the discontinuance of  
46 such act or practice.

47 (4) No insurer which makes its own filings, and  
48 no rating organization, shall support its filings by  
49 statistics or adopt rate making recommendations  
50 furnished to it by an advisory organization which

51 has not complied with this subsection or with an  
52 order of the commissioner involving such statistics  
53 or recommendations issued under subdivision (3)  
54 of this subsection. If the commissioner finds such  
55 insurer or rating organization to be in violation of  
56 this subsection, he may issue an order requiring the  
57 discontinuance of such violation.

