

Chap. 528. AN ACT FURTHER REGULATING THE PLACEMENT OF FIRE INSURANCE IN URBAN AREAS OF THE COMMONWEALTH.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the placement of fire insurance in certain urban areas of the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience and safety.

Be it enacted, etc., as follows:

SECTION 1. Section 1 of chapter 175C of the General Laws, as appearing in section 1 of chapter 731 of the acts of 1968, is hereby amended by striking out the definition of "Basic property insurance" and inserting in place thereof the following definition: —

"Basic property insurance", insurance against direct loss to property as defined and limited in the standard fire policy and extended coverage endorsement thereon, filed with and accepted by the commissioner, and insurance against direct loss to such property from the perils of vandalism and malicious mischief, and such other coverages as the commissioner after public hearing shall determine or the Secretary of the United States Department of Housing and Urban Development shall designate by rule made in accordance with the provisions of the Urban Property Protection and Reinsurance Act of 1968 (Public Law 90-448) but shall not include insurance on automobile or manufacturing risks except such classes of manufacturing risks as may, after proper hearing, be designated by the commissioner.

SECTION 2. Section 2 of said chapter 175C, as so appearing, is hereby amended by striking out subsection 1 and inserting in place thereof the following subsection: —

(1) Each insurance company licensed to provide all or any part of the coverage provided for as part of basic property insurance, as defined in section one, shall participate in the plan of operation as a condition precedent to obtaining or maintaining authority to sell all or any part of such coverage in the commonwealth.

SECTION 3. Section 3 of said chapter 175C, as so appearing, is hereby amended by adding the following paragraph: —

Commissions to licensed insurance agents and brokers from the facility and from any joint underwriting and reinsurance association established in accordance with the provisions of this chapter shall be set by the commissioner from time to time at such percentage of the average commission rate customarily paid by those insurance companies who customarily compensate agents by commissions, as the commissioner, after appropriate hearing, shall find to be sufficiently attractive to encourage agents and brokers to actively seek out risks in urban areas and to assist property owners therein to obtain coverage while at the same time leaving a further incentive to the agent or broker to place such business through his customary markets when he finds that that is practicable.

SECTION 4. The second paragraph of section 4 of said chapter 175C, as so appearing, is hereby amended by striking out, in line 16, the words "or manufacturing risks" and inserting in place thereof the words: — and manufacturing risks excluded from the plan, — and by striking out the seventh sentence and inserting in place thereof the following sen-

tence: — The association and the facility shall be governed by a board of fifteen directors, who shall serve without compensation, eleven to be elected annually by the members of the association by cumulative voting and four representatives of community groups and associations of insurance agents and brokers doing business in the commonwealth to be appointed annually by the commissioner.

SECTION 5. Said chapter 175C is hereby further amended by adding the following section: —

Section 8. (a) In order to carry out the purpose of this chapter the commissioner is authorized to assess each insurance company an amount in the proportion that the premiums earned in the commonwealth during the preceding calendar year by each such company in those lines of insurance which are eligible for reinsurance by the Secretary of the United States Department of Housing and Urban Development in the commonwealth during the current calendar year bear to the aggregate premiums earned in the commonwealth during such preceding calendar year by all such companies on such lines, sufficient to provide a fund to reimburse said secretary pursuant to the provisions of section 1223 (a) (1) of the Federal Urban Property Protection and Reinsurance Act of 1968. Such assessment shall be made by the commissioner only after receipt and verification by him of a claim from said secretary and shall be due and payable to the commissioner on and after the forty-fifth day following the receipt by the commissioner of a claim from said secretary.

(b) Insurers may add to the premium rate applicable to such lines of insurance on policies issued to be effective after the date of such assessment an amount, to be approved by the commissioner, sufficient to recover within not more than three years any amounts assessed under subsection (a) of this section during the preceding calendar year plus costs and expenses reasonably attributable to such assessment and recovery.

SECTION 6. The commission rate provided in the last paragraph of section three of chapter one hundred and seventy-five C of the General Laws, added by section three of this act, shall be set by the commissioner within sixty days after the effective date of this act.

SECTION 7. The eleven directors serving on the effective date of this act shall continue to serve until the expiration of the terms for which they were elected. The four appointive directors provided for in section four of chapter one hundred and seventy-five C of the General Laws, as amended by section four of this act, shall be appointed within thirty days after the effective date of this act.

SECTION 8. Section five of this act shall take effect as of August first, nineteen hundred and sixty-eight.

Approved July 17, 1969.

Chap. 529. AN ACT INCREASING THE MAXIMUM WEEKLY BENEFITS UNDER THE WORKMEN'S COMPENSATION ACT.

Be it enacted, etc., as follows:

SECTION 1. Chapter 152 of the General Laws is hereby amended by striking out section 34, as most recently amended by section 1 of chapter 482 of the acts of 1967, and inserting in place thereof the following section: —