

HOUSE . . . No. 2447

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 12, 1941.

The committee on Insurance, to whom was referred the petition (accompanied by bill, House, No. 1084) of Charles F. J. Harrington (Commissioner of Insurance) relative to the qualifications and licensing of insurance agents, insurance brokers and special insurance brokers, report the accompanying bill (House, No. 2447).

For the committee,

CHARLES W. HEDGES.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE QUALIFICATIONS AND LICENSING
OF INSURANCE AGENTS, INSURANCE BROKERS AND
SPECIAL INSURANCE BROKERS.

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

1 Chapter one hundred and seventy-five of the
2 General Laws is hereby amended by inserting after
3 section one hundred and sixty-eight, as appearing
4 in the Tercentenary Edition, the following new
5 section:—

6 *Section 168A.* In connection with any written
7 notice received by the commissioner under section
8 one hundred and sixty-three or of any application
9 filed with him under section one hundred and sixty-
10 six or one hundred and sixty-eight, he shall have
11 power to examine under oath any person who has
12 or appears to have information relevant thereto,
13 and to make an examination of the books, records
14 and affairs of any person who is an appointee of a
15 company under section one hundred and sixty-three,
16 or an applicant for a license under section one
17 hundred and sixty-six or one hundred and sixty-eight.
18 Before issuing any such license or renewal license,
19 he may require from any such appointee or appli-
20 cant, information as to his ownership of any interest

21 in a firm, association or corporation and as to facts
22 indicating whether any such person has been by
23 reason of an existing license, if any, or will be by
24 reason of the license applied for receiving any bene-
25 fit or advantage in violation of section one hundred
26 and eighty-two, and also as to such facts as he may
27 deem pertinent to the requirements of this section.
28 The commissioner, without requiring anew the de-
29 tailed information hereinbefore specified, may issue
30 a license to act as an insurance agent to any person
31 who has been licensed under section one hundred
32 and sixty-three, one hundred and sixty-six, or one
33 hundred and sixty-eight for similar lines of insurance
34 within the two year period preceding the filing of
35 the written notice, and may issue a license to act
36 as an insurance broker under section one hundred
37 and sixty-six, or a special insurance broker under
38 section one hundred and sixty-eight to any person
39 who has been similarly licensed within the two year
40 period preceding the date of his application.

41 The commissioner shall refuse to issue any of the
42 licenses or renewal licenses specified in section one
43 hundred and sixty-three, one hundred and sixty-
44 six and one hundred and sixty-eight to any person,
45 partnership, association or corporation if he finds
46 that such person, partnership, association or corpo-
47 ration has been or will be, as aforesaid, receiving
48 any benefit or advantage in violation of section one
49 hundred and eighty-two, or if he finds that more
50 than ten per cent of the aggregate net commissions
51 received during the term of the existing license, if
52 any, or to be received during the term of the license
53 applied for, resulted or will result from insurance
54 on the property and risks:

55 (a) Of an individual applicant or appointee; and
56 of the spouse of an individual applicant or ap-
57 pointee; and of any corporation of which such in-
58 dividual applicant or appointee or his or her spouse
59 or both own more than fifty per cent of the stock;
60 and of any affiliated or subsidiary corporations of
61 such corporation, and of the members of any firm
62 or association and their spouses, of which firm or
63 association the individual applicant or appointee or
64 his or her spouse is a member.

65 (b) Of the members of a firm applicant or ap-
66 pointee or of an association applicant or appointee
67 and their respective spouses; and of the owners of
68 any interest in such firm or association applicant
69 or appointee and their respective spouses; and of
70 any corporation of which such firm or association
71 applicant or appointee or the members or owners
72 thereof and their respective spouses, either indi-
73 vidually or in the aggregate, own more than fifty
74 per cent of the stock; and of any affiliated or sub-
75 sidiary corporations of such corporation; and of
76 any other firm and the members or owners thereof
77 and their respective spouses, of which other firm
78 any members or owners of the firm or association
79 applicant or appointee and their respective spouses
80 are members or owners.

81 (c) Of the stockholders of a corporation applicant
82 or appointee and their respective spouses; and of
83 any affiliated and subsidiary corporations of such
84 corporation applicant or appointee, and of any
85 subsidiary and affiliated corporations of a corpora-
86 tion owning any interest in such corporation appli-
87 cant or appointee; and of any firm or association
88 and the members or owners thereof and their re-

89 spective spouses which either individually or collec-
90 tively own more than fifty per cent of the stock of
91 the corporation applicant or appointee; and of any
92 corporation of which such firm or association and
93 its members or owners and their respective spouses,
94 either individually or in the aggregate, own more
95 than fifty per cent of the stock; and of any affiliated
96 or subsidiary corporation of such corporation.

97 (d) Of any employee or employer of (1) any
98 applicant for a broker's license or (2) any individual,
99 firm, association, or corporation for whom a com-
100 pany requests an agent's license.

101 (e) Of any individual, firm, association or corpo-
102 ration for whom the applicant or appointee acts as
103 Trustee.

104 Nothing contained herein shall be deemed to
105 disqualify any person by reason of acts done or
106 facts existing at a time when the same did not,
107 under the law then in force, constitute or contribute
108 to constituting such a disqualification.

