

HOUSE No. 1092

By Mr. Jordan of Revere, petition of Philander S. Ratzkoff relative to the regulation of acquisition of stock or other share capital of insurance corporations by domestic insurance corporations. Insurance.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE REGULATION OF ACQUISITION OF STOCK OR OTHER SHARE CAPITAL OF INSURANCE CORPORATIONS BY DOMESTIC INSURANCE CORPORATIONS.

*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 1. A domestic insurance corporation may
2 acquire, subject to the provisions of sections sixty-
3 three to sixty-eight inclusive of chapter one hundred
4 and seventy-five of the General Laws, the stock or other
5 share capital of other insurance corporations, provided
6 however that no such insurance corporation shall
7 acquire directly or indirectly the whole or any part
8 of the stock or other share capital of another insur-
9 ance corporation where the effect of such acquisition
10 may be to substantially lessen competition generally
11 or tend to create a monopoly.

1 SECTION 2. Whenever the commissioner of insur-
2 ance has reason to believe that there is violation of
3 section one hereof, the commissioner shall serve upon
4 the insurance corporation believed to be in violation,
5 a complaint stating the commissioner's charge in that
6 respect, to which complaint shall be attached or in
7 which there shall be contained a notice of hearing,
8 specifying the time and place, not less than thirty
9 days after the service thereof, and requiring such
10 insurance corporation to show cause why an order
11 should not be made by said commissioner directing
12 said insurance corporation to cease and desist from
13 such violation. Such insurance corporation so com-
14 plained of may at the time and place so fixed show
15 cause why such an order should not be entered. The
16 evidence taken at such a hearing shall be reduced to
17 writing and made a part of the record therein. If
18 upon such hearing the commissioner shall find that
19 such insurance corporation complained of has violated
20 the provisions of section one hereof, the commissioner
21 shall issue and cause to be served upon such insurance
22 corporation an order reciting the facts found by the
23 commissioner, the respects in which such corporation
24 shall have violated section one and directing such
25 corporation to cease and desist from such violation.
26 Any finding and order of the commissioner shall be
27 subject to review by appeal to the supreme judicial
28 court at the instance of any party in interest. Said
29 review shall not be limited to questions of law. The
30 filing of such appeal shall act as a stay of any such
31 order unless the court shall determine otherwise. The
32 court may in disposing of the issue before it modify,
33 affirm or reverse the order of the commissioner in
34 whole or in part.

1 SECTION 3. Notwithstanding any other provisions
2 of this act, any insurance corporation which prior to
3 the effective date of this act has acquired holdings of
4 stocks or other share capital of other insurance com-
5 panies may continue to hold the same hereafter.

1 SECTION 4. This act shall take effect January
2 first, nineteen hundred and forty-eight.

