

HOUSE . . . No. 2106

The Commonwealth of Massachusetts

EXECUTIVE DEPARTMENT,
STATE HOUSE, BOSTON, June 27, 1945.

To the Honorable Senate and House of Representatives.

I am returning to you herewith without my approval, House Bill 1956, entitled "AN ACT RELATIVE TO THE TREATMENT OF ASSETS DEPOSITED BY INSURANCE COMPANIES AS COLLATERAL FOR CERTAIN BONDS GIVEN FOR SECURITY OF THEIR POLICYHOLDERS, IN THE COMPUTATION OF THE ASSETS AND LIABILITIES OF SUCH COMPANIES."

Under the present law (General Laws, Chapter 175, Section 11) a domestic insurance company is given credit in its statement for assets deposited with officers of other states for the purpose of complying with the laws of such other states provided that such assets are held for the security of the policyholders of the company.

In practice, under this Legislation the Commissioner would be required to give credit in financial statements for collateral deposited for the protection of a bonding company, which has issued a qualifying bond filed with an officer of another state for the purpose of complying with the laws of such other state, the bond being for the security of the policyholders of the company.

As was said by my predecessor who vetoed a similar measure (see House No. 2579 — 1941), "There is no provision of law which gives the Commissioner sufficient authority to make a satisfactory investigation of the financial condition, business methods or integrity of the

trustees submitted under this law. The absence of such authority makes the law impossible of efficient administration."

Consequently I am returning this measure to you without my approval.

Respectfully,

MAURICE J. TOBIN,

Governor of the Commonwealth.