

By Messrs. Moran of Somerville, D'Avolio of Boston, Ansel of Boston, Carey of Revere, Kaplan of Brookline, McGlynn of Medford, Del Grosso of Revere and Khachadorian of Arlington, petition of the Commonwealth Citizen's League, Inc., Harry Della Russo and other members of the General Court for legislation to create a state control board to assist in the fixing and establishing of reasonable, just and non-discriminatory premium charges for motor vehicle liability insurance. Insurance.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Two.

AN ACT CREATING A STATE CONTROL BOARD TO ASSIST IN THE FIXING AND ESTABLISHING OF REASONABLE, JUST AND NON-DISCRIMINATORY PREMIUM CHARGES FOR MOTOR VEHICLE LIABILITY INSURANCE.

*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. Chapter 26 of the General Laws is hereby amended  
2 by inserting after section 8A the following section:—  
3 *Section 8B.* There shall be in the division of insurance a  
4 control board which shall make an investigation and study of  
5 all insurance companies authorized to issue motor vehicle lia-  
6 bility policies, as defined in section thirty-four A of chapter  
7 ninety, and such data, statistics, schedules or other informa-  
8 tion as it may deem necessary to assist in the determination  
9 of reasonable, just and non-discriminatory premium charges  
10 for such policies, for the purpose of assisting the commissioner  
11 of insurance in the annual fixing and establishment of fair  
12 and reasonable classifications of risks, and adequate, just,  
13 reasonable and non-discriminatory premium charges for motor  
14 vehicle liability insurance. The chief of said control board  
15 shall annually report the results of its investigation and study,  
16 and its recommendations, to the commissioner of insurance,  
17 who shall thereafter fix and establish said classifications and  
18 charges, as provided in section one hundred and thirteen B  
19 of chapter one hundred and seventy-five, for the following

20 year. No other board or agency shall have anything to do  
21 with such establishment and fixing. All costs of administration  
22 and operation of said board shall be borne by liability insurance  
23 companies doing business within the commonwealth, and the  
24 commissioner shall apportion such costs among all such com-  
25 panies, and shall assess them for the same, on a fair and reason-  
26 able basis. In addition to any other provisions of the General  
27 Laws the following additional conditions shall be applicable  
28 to any corporation selling motor vehicle liability policies to  
29 citizens of the commonwealth of Massachusetts:—One. The  
30 state control board shall have the authority to examine and  
31 evaluate all records of such corporations at any time, including  
32 but not limited to premiums paid, loss settlements and reserves  
33 derived by policies sold within the commonwealth and accidents  
34 occurring in the commonwealth. Two. Persons employed in  
35 the control board established by this act shall not derive any  
36 salary, commission, interest, or other remuneration from the  
37 insurance industry, nor shall he or she retain stock or bonds in  
38 any corporation engaged in the insurance business during his  
39 term of office and for a period of five years thereafter.

1 SECTION 2. Said state control board shall be the only deter-  
2 mining body authorized to establish motor vehicle insurance  
3 territorial zones within the commonwealth of Massachusetts.