

# HOUSE . . . . . No. 49

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Accompanying the fourth recommendation of the Commissioner of Insurance (House, No. 45). Insurance.

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## The Commonwealth of Massachusetts

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

AN ACT PROHIBITING INCORPORATORS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES OF MUTUAL INSURANCE COMPANIES AUTHORIZED TO TRANSACT COMPULSORY MOTOR VEHICLE LIABILITY INSURANCE FROM ENGAGING IN OR BEING FINANCIALLY INTERESTED IN CERTAIN ENTERPRISES CONNECTED WITH SUCH BUSINESS.

*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 Gen-  
2 eral Laws is hereby amended by inserting after sec-  
3 tion ninety-four the following new section:—  
4 *Section 94A.* No incorporator, officer, director,  
5 agent or employee of a mutual company authorized  
6 to transact in the commonwealth the business specified  
7 in subdivision (b) of the sixth clause of section forty-  
8 seven of chapter one hundred and seventy-five shall  
9 be an officer, director, agent or employee of, or,  
10 directly or indirectly, be financially interested in, or  
11 receive any financial benefit from or on account of,

12 any agency of such company or transact the business  
13 of financing the payment of premiums on policies of  
14 insurance accepted and issued by any such company  
15 or, directly or indirectly, be financially interested in,  
16 or receive any financial benefit from or on account of,  
17 any such business or be an officer, director, agent or  
18 employee of, or, directly or indirectly, be financially  
19 interested in, or receive any financial benefit from or  
20 on account of, any association, firm or corporation  
21 engaged in any such business, except that any such  
22 incorporator, officer, director, agent or employee, if a  
23 policyholder, shall be entitled to all the benefits  
24 accruing under the terms of his contract.