

HOUSE No. 2516

Substituted by the House, on motion of Mr. Roberts of Boston, for a Senate Bill prohibiting incorporators, officers, directors, agents and employees of certain 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 (Senate, No. 568, amended). July 20.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE RELATIONS OF OFFICERS, DIRECTORS AND EMPLOYEES OF CERTAIN DOMESTIC INSURANCE COMPANIES WITH CERTAIN INSURANCE AGENCIES AND FINANCE COMPANIES, SO CALLED.

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 one hundred and seventy-five
2 of the General Laws is hereby amended by inserting
3 after section one hundred and thirteen F, as amended,
4 the following new section:—

5 *Section 113G.* No officer, director or employee of
6 a domestic company formed under section forty-
7 eight A which after November first, nineteen hun-
8 dred and thirty-nine obtains a certificate under sec-
9 tion thirty-two and commences to issue motor vehicle
10 liability policies, as defined in section thirty-four A of
11 chapter ninety, or to execute motor vehicle liability
12 bonds, as defined in said section thirty-four A, shall

13 be or act as insurance agent of such company, or be
14 an officer, director, stockholder or employee of, or be
15 directly or indirectly financially interested in, or
16 directly or indirectly receive any financial benefit
17 from, any insurance agency of such company or any
18 concern, except a bank or trust company under the
19 supervision of the commissioner of banks or a na-
20 tional banking association, whose business includes
21 the financing of payment of premiums on such poli-
22 cies or bonds issued or executed by such company;
23 provided, that nothing herein shall prohibit an insur-
24 ance agent of any such company from financing the
25 payment of premiums on any such policy or bond
26 issued or executed by such company, or prevent any
27 such company from carrying on the business author-
28 ized by section one hundred and ninety-three B or
29 prohibit any officer, director or employee of such com-
30 pany from participating in the carrying on of such
31 business by such company in accordance with said
32 section.

1 SECTION 2. This act shall take effect on November
2 first of the current year.