

By Mr. Paleologos of Woburn, petition of Nicholas A. Paleologos for legislation to establish a public insurance corporation. Insurance.

The Commonwealth of Massachusetts

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

AN ACT ESTABLISHING A PUBLIC INSURANCE CORPORATION.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 There is hereby established the Massachusetts Public Insurance
2 Corporation. The corporation shall consist of nine members to
3 be appointed by the governor who shall serve as directors of the
4 corporation. The directors, one of whom shall be designated by
5 the governor as chairman shall hold office for three years from
6 the date of their appointment, and thereafter until their successors
7 are chosen. Where a director of the corporation ceases to be a
8 director prior to the expiration of his term of office, any person
9 appointed to fill the vacancy so created, unless he sooner dies,
10 resigns or is removed from office, shall hold office for the
11 remainder of the term of office of the person in whose place he
12 is appointed, and thereafter until his successor is appointed.
13 Directors of the corporation shall be eligible for reappointment.

14 Section 2. Each director shall be reimbursed by the corporation
15 for any reasonable travelling and other out-of-pocket expenses
16 necessarily incurred by him in discharging his duties.

17 Section 3. The directors shall appoint a general manager and
18 may, appoint such officers and employees as they consider
19 necessary to carry out the business of the corporation and may
20 define their duties and determine their remuneration and the
21 general manager is responsible and has the authority for the
22 management, direction and control of the operations of the
23 corporation and the day to day administration of its affairs.

24 Section 4. It is the function of the corporation and it has the

25 power and capacity to engage in and carry on the activity of
26 automobile insurance, to operate and administer such plans of
27 universal compulsory automobile insurance as may be set out in
28 this chapter, to engage in and carry on, within the commonwealth,
29 business of insurance and re-insurance of motor vehicles.

30 Section 5. The corporation has the power and capacity to do
31 all acts and things necessary or required for the purpose of
32 carrying out its functions and powers and, without limiting the
33 generality of the foregoing, the corporation may

34 (a) conduct surveys and research programs and obtain statistics
35 for its purposes and for the purpose of establishing and
36 administering any insurance plan;

37 (b) enter into agreements with, or retain agents or adjusters for
38 the purpose of soliciting and receiving applications for insurance,
39 for collecting premiums, adjusting claims, and doing of such other
40 things on its behalf as the corporation considers necessary;

41 (c) prescribe forms of application, contracts, and forms of
42 policy and such other forms as the corporation considers
43 necessary;

44 (d) prescribe the information and detail required to be set out
45 on any form;

46 (e) evaluate damages and losses and pay claims under a contract
47 by which the corporation may be liable as an insurer;

48 (f) reinsure the contract or any portion thereof of any other
49 insurer, and reinsure its risks under any plan or a contract or any
50 portion thereof with any other insurer, whether or not the other
51 insurer is within or without the commonwealth;

52 (g) do all things necessary for the purpose of setting, adjusting,
53 investigating, defending and otherwise dealing with, in conformity
54 with this chapter, claims made in respect of contracts by which
55 the corporation may be liable as insurer;

56 (h) carry out either alone or jointly with any other board,
57 commission, corporation, department or agency of government,
58 or any private person, agency, or association, introduce, establish,
59 supervise, finance and promote research or educational programs
60 relating to health, rehabilitation, safety and the reduction of risk
61 in respect of any branch or class of insurance in which the
62 corporation is engaged;

63 (i) promote or carry out programs of research into the causes
64 of accidents and research into the more equitable distribution of
65 losses resulting from highway traffic accidents;

66 (j) establish and maintain one or more repair shops to
67 investigate, study, and apply techniques used or to be used in the
68 repair of motor vehicles and to analyze the cost of repairs;

69 (k) negotiate and bargain with persons engaged in the business
70 of motor vehicle and trailer repairs with a view to establishing
71 fair and reasonable prices for motor vehicle and trailer repairs in
72 relation to which payments may be made under this chapter;

73 (l) make such by-laws and pass such resolutions, not contrary
74 to law, as it considers necessary or advisable for the conduct of
75 the affairs of the corporation, and, without limiting the generality
76 of the foregoing, make by-laws and pass resolutions with respect
77 to the time and place of calling and holding meetings of the
78 corporation, the procedure to be followed at the meetings, and
79 generally with respect to the conduct in all other particulars of
80 the affairs of the corporation, and may repeal, amend, or re-enact
81 them.

82 Section 6. The corporation may require an applicant for
83 insurance or an insured persons to furnish such information,
84 statements and reports relating to or affecting the operation or
85 administration of a plan of automobile insurance, as the
86 corporation shall determine.

87 Section 7. The corporation may require every driver or owner
88 of a motor vehicle required to be registered and licensed in the
89 commonwealth that is involved in an accident out of which arises
90 injury or death to a person or damage to property to furnish such
91 information relating thereto to the corporation as the corporation
92 shall determine. The corporation may require an insured to furnish
93 such notices, proofs of claim, proofs of loss, reports and
94 statements, and to comply with any other methods of making and
95 proving claims.

96 Section 8. The corporation may from time to time borrow or
97 raise money for its temporary purposes by way of overdraft, line of
98 credit, or loan, or otherwise, upon the credit of the corporation
99 in such amounts, upon such terms, for such periods, and upon
100 such conditions as the corporation may determine.

101 Section 9. No moneys, funds, reserves, investments and
102 property, whether real or personal, acquired, administered,
103 possessed or held by the corporation, nor any profits earned by
104 the corporation in the activity of automobile insurance for which
105 premiums are prescribed in the regulations, may be taken, used
106 or appropriated by the commonwealth for any purpose whatever.

107 Section 10. All moneys required by this chapter to be paid to
108 the corporation and all premiums and other consideration payable
109 for insurance provided by the corporation, and any other moneys
110 that may become due and payable to the corporation shall be paid
111 to the corporation, and may be retained by the corporation and
112 shall be used and dealt with for no other purpose than to carry
113 out the powers of the corporation in accordance with this chapter.

114 Section 11. The corporation shall keep and maintain separate
115 and distinct accounts in respect to the business of automobile
116 insurance in which it shall record

117 (a) all moneys paid to it in respect of premiums and all other
118 moneys, including investment income, received by it; and

119 (b) all payments of benefits, insurance moneys, damages,
120 compensation, costs, and operating expenses incurred by it;

121 in respect of that business of automobile insurance for which
122 premiums are prescribed. Where any income, including
123 investment income, is received by the corporation or any
124 expenditure is made by the corporation a part of which is for the
125 business of automobile insurance and a part of which is in respect
126 of any other business or purpose of the corporation, the directors
127 shall apportion and account for such income and expenditure
128 accordingly.

129 Section 12. The accounts of the corporation shall, at least once
130 in each year, be audited and reported on by the state auditor.

131 Section 13. In addition to the annual audit required by
132 section twelve, the governor may at any time order an audit of
133 or investigation into the accounts or affairs of the corporation and
134 he shall designate the person to make the audit or investigation.

135 Section 14. The corporation shall establish and maintain
136 reserves of such amounts that, at all times, it has sufficient funds
137 to meet all the payments as may become payable under this
138 chapter.

139 Section 15. No action or other proceeding shall lie against any
140 person other than the corporation for the purpose of enforcing
141 any claim or right in relation to the operations, engaged in or
142 carried on pursuant to this chapter.

101 The Commission on the Organization of the Executive Branch of the Government
 102 has been authorized by the House of Representatives to study and report
 103 on the organization of the executive branch of the Government. The
 104 Commission has held numerous public hearings and has received many
 105 suggestions from the public. It has also conducted extensive research
 106 into the various problems connected with the organization of the
 107 executive branch. The Commission believes that the following
 108 recommendations will result in a more efficient and economical
 109 organization of the executive branch of the Government.

110 1. The Commission recommends that the Department of State
 111 be reorganized so that the Secretary of State will be
 112 the head of the Department. The Commission believes that this
 113 will result in a more efficient and economical organization
 114 of the Department.

115 2. The Commission recommends that the Department of Defense
 116 be reorganized so that the Secretary of Defense will be
 117 the head of the Department. The Commission believes that this
 118 will result in a more efficient and economical organization
 119 of the Department.

120 3. The Commission recommends that the Department of the Interior
 121 be reorganized so that the Secretary of the Interior will be
 122 the head of the Department. The Commission believes that this
 123 will result in a more efficient and economical organization
 124 of the Department.

125 4. The Commission recommends that the Department of Justice
 126 be reorganized so that the Attorney General will be
 127 the head of the Department. The Commission believes that this
 128 will result in a more efficient and economical organization
 129 of the Department.

130 5. The Commission recommends that the Department of Education
 131 be reorganized so that the Secretary of Education will be
 132 the head of the Department. The Commission believes that this
 133 will result in a more efficient and economical organization
 134 of the Department.

135 6. The Commission recommends that the Department of Health,
 136 Education and Welfare be reorganized so that the Secretary
 137 of Health, Education and Welfare will be the head of the
 138 Department. The Commission believes that this will result in
 139 a more efficient and economical organization of the Department.

140 7. The Commission recommends that the Department of Housing
 141 and Urban Development be reorganized so that the Secretary
 142 of Housing and Urban Development will be the head of the
 143 Department. The Commission believes that this will result in
 144 a more efficient and economical organization of the Department.

145 8. The Commission recommends that the Department of Labor
 146 be reorganized so that the Secretary of Labor will be the
 147 head of the Department. The Commission believes that this will
 148 result in a more efficient and economical organization of the
 149 Department.

150 9. The Commission recommends that the Department of Social
 151 Security be reorganized so that the Secretary of Social Security
 152 will be the head of the Department. The Commission believes
 153 that this will result in a more efficient and economical
 154 organization of the Department.

155 10. The Commission recommends that the Department of
 156 Transportation be reorganized so that the Secretary of
 157 Transportation will be the head of the Department. The
 158 Commission believes that this will result in a more efficient
 159 and economical organization of the Department.

160 11. The Commission recommends that the Department of
 161 Agriculture be reorganized so that the Secretary of Agriculture
 162 will be the head of the Department. The Commission believes
 163 that this will result in a more efficient and economical
 164 organization of the Department.

165 12. The Commission recommends that the Department of
 166 Energy be reorganized so that the Secretary of Energy will
 167 be the head of the Department. The Commission believes that
 168 this will result in a more efficient and economical organization
 169 of the Department.

170 13. The Commission recommends that the Department of
 171 Environmental Protection be reorganized so that the Secretary
 172 of Environmental Protection will be the head of the Department.
 173 The Commission believes that this will result in a more
 174 efficient and economical organization of the Department.

175 14. The Commission recommends that the Department of
 176 Veterans Affairs be reorganized so that the Secretary of
 177 Veterans Affairs will be the head of the Department. The
 178 Commission believes that this will result in a more efficient
 179 and economical organization of the Department.

180 15. The Commission recommends that the Department of
 181 Public Health be reorganized so that the Secretary of Public
 182 Health will be the head of the Department. The Commission
 183 believes that this will result in a more efficient and
 184 economical organization of the Department.

185 16. The Commission recommends that the Department of
 186 Housing and Urban Development be reorganized so that the
 187 Secretary of Housing and Urban Development will be the head
 188 of the Department. The Commission believes that this will
 189 result in a more efficient and economical organization of the
 190 Department.

191 17. The Commission recommends that the Department of
 192 Labor be reorganized so that the Secretary of Labor will be
 193 the head of the Department. The Commission believes that this
 194 will result in a more efficient and economical organization
 195 of the Department.

196 18. The Commission recommends that the Department of
 197 Social Security be reorganized so that the Secretary of Social
 198 Security will be the head of the Department. The Commission
 199 believes that this will result in a more efficient and
 200 economical organization of the Department.

