

By Mr. Mara of Brockton, petition of Francis G. Mara relative to the liquidation of domestic insurance companies. Insurance.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-Four.

AN ACT AMENDING THE INSURERS LIQUIDATION ACT.

*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 180C of chapter 175 of the General Laws, as most  
2 recently amended, is hereby further amended by adding the  
3 following paragraphs: —

4 In the event of a decree ordering liquidation of a domestic  
5 company, the responsibility of the agent to render premiums to the  
6 liquidator shall be determined as follows: —

7 (a) premiums owed by the agent shall be determined by the law  
8 of the state of the agent's domicile;

9 (b) the agent shall continue to render premium payments in  
10 accordance with the terms of his agency agreement except that the  
11 agent's liability shall be no greater than that of the policyholder;

12 (c) the agent shall receive credit for any unearned premium as  
13 of the date of insolvency; provided, he certifies to the liquidator  
14 that such unearned premiums have either been refunded to the  
15 insured, applied to secure replacement coverage, or not been  
16 collected. Pro rata cancellation rules shall apply in determining  
17 the unearned premium.

18 In the event of the entry of a decree ordering liquidation of a  
19 domestic company, it shall be the responsibility of an insurance  
20 agent to assist the liquidator in notifying insureds of the insolvent  
21 company by providing the liquidator with policyholder informa-  
22 tion necessary for identification and location purposes.

