

HOUSE No. 2141

Mr. Barnet of New Bedford moves that this bill be substituted for the House Bill requiring that no incorporator, officer, director, agent or employee of a mutual company authorized to transact business under the compulsory motor vehicle liability insurance law, so called, shall engage in or be financially interested in certain enterprises connected with such business (House, No. 2049). June 14.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE RELATIONS OF OFFICERS, DIRECTORS AND EMPLOYEES OF CERTAIN MUTUAL INSURANCE COMPANIES WITH CERTAIN INSURANCE AGENCIES AND CERTAIN 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 ninety-three of chapter one hundred and
2 seventy-five of the General Laws, as appearing in the
3 Tercentenary Edition, is hereby amended by adding
4 at the end the following new paragraph: —

5 No officer, director or employee of a mutual com-
6 pany authorized to transact in the commonwealth
7 the business specified in subdivision (b) of the sixth
8 clause of section forty-seven shall be or act as insur-
9 ance agent of such company, or be an officer, director,
10 stockholder, member or employee of, or be directly or
11 indirectly financially interested in, or directly or

12 indirectly receive any financial benefit from, any
13 insurance agency of such company, or any concern
14 whose business includes the financing of payment of
15 premiums on policies issued by such company; pro-
16 vided, that nothing herein shall prohibit an insurance
17 agent of any such company from financing the pay-
18 ment of premiums on any policy of insurance issued
19 by such company, or prevent any such company
20 from carrying on the business authorized by section
21 one hundred and ninety-three B or prohibit any officer,
22 director or employee of such company from participat-
23 ing in the carrying on of such business by such com-
24 pany in accordance with said section.