
By Mr. Jordan of Revere, petition of Philander S. Ratzkoff for legislation relative to the regulation of interlocking directorates of insurance corporations. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Seven.

AN ACT RELATIVE TO THE REGULATION OF INTERLOCKING
DIRECTORATES OF INSURANCE CORPORATIONS.

*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. Insurance corporations may have
2 interlocking directorates, provided no person at the
3 same time shall be a director in two or more insurance
4 corporations where the effect may be to substantially
5 lessen competition generally or tend to create a
6 monopoly.

1 SECTION 2. Whenever the commissioner of in-
2 surance has reason to believe that there is violation of
3 section one hereof, the commissioner shall serve upon
4 the director believed to be in violation, a complaint
5 stating the commissioner's charge in that respect, to
6 which complaint shall be attached or in which there
7 shall be contained a notice of hearing, specifying the
8 time and place, not less than thirty days after the
9 service thereof, and requiring such director to show

10 cause why an order should not be made by said com-
11 missioner directing said director to cease and desist
12 from such violation. Such director so complained of
13 may at the time and place so fixed show cause why
14 such an order should not be entered. The evidence
15 taken at such a hearing shall be reduced to writing
16 and made a part of the record therein. If upon such
17 hearing the commissioner shall find that such director
18 complained of has violated the provision of section
19 one hereof, the commissioner shall issue and cause to
20 be served upon such director an order reciting the
21 facts found by the commissioner, the respects in
22 which such corporation shall have violated section one
23 and directing such director to cease and desist from
24 such violation. Any finding and order of the commis-
25 sioner shall be subject to review by appeal to the
26 supreme judicial court at the instance of any party
27 in interest. Said review shall not be limited to ques-
28 tions of law. The filing of such appeal shall act as a
29 stay of any such order unless the court shall determine
30 otherwise. The court may in disposing of the issue
31 before it modify, affirm or reverse the order of the com-
32 missioner in whole or in part.

1 SECTION 3. Notwithstanding any other provisions
2 of this act, any person acting at the time this act
3 becomes effective as director for two or more insur-
4 ance corporations, may continue so to act.

1 SECTION 4. This act shall take effect January first
2 nineteen hundred and forty-eight.