

SENATE No. 672

By Ms. Melconian, a petition (accompanied by bill, Senate, No. 672) of Linda J. Melconian for legislation relative to the assignment of servicing carriers to agents or brokers through the Commonwealth Automobile Reinsurers. Insurance.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE ASSIGNMENT OF SERVICING CARRIERS
TO AGENTS OR BROKERS THROUGH THE COMMONWEALTH AUTOMOBILE
REINSURERS.

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

1 The first paragraph of subsection (C) of section 113H of chap-
2 ter 175 of the General Laws, as appearing in the 1988 Official
3 Edition, is hereby amended by striking out said paragraph and
4 inserting in place thereof the following new paragraph: —

5 (C) The plan shall provide that every licensed agent or broker
6 shall be assigned to at least one servicing carrier; provided further,
7 however, that every agent or broker, who has a voluntary agency
8 agreement with an insurance company that is also a servicing
9 carrier, shall be assigned an additional servicing carrier which is
10 not the same servicing carrier with which said agent or broker has
11 a voluntary agency agreement; except that the governing
12 committee shall not be required to make any such assignment if
13 subject to reasonable standards adopted by the governing
14 committee:

15 (i) the agent or broker has been convicted of a dishonest act
16 related to his occupation as an insurance agent or broker;

17 (ii) the broker's license to engage as an insurance broker has
18 been revoked;

- 19 (iii) there has been a material and substantial breach of a
- 20 contract between a servicing carrier and a producer by a broker
- 21 or agent; or
- 22 (iv) the broker or agent has an uncured default in remittance
- 23 of any premiums due to the servicing carrier.