

By Mr. Finneran of Boston, petition of Thomas M. Finneran and Gregory W. Sullivan for legislation to remove limitations restricting the amount of life insurance policies which savings and insurance banks may have in force at any one time. Insurance.

The Commonwealth of Massachusetts

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

AN ACT TO REMOVE LIMITATIONS RESTRICTING THE AMOUNT OF POLICIES WHICH SAVINGS AND INSURANCE BANKS MAY HAVE IN FORCE AT ANY ONE TIME ON ANY ONE LIFE AND PROVIDE FOR THE LICENSING OF SUCH BANKS' EMPLOYEES WHO NEGOTIATE SUCH INSURANCE APPLICATIONS OR ORDERS.

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 ten of Chapter one hundred and seventy-eight of the
2 General Laws, as most recently amended by Chapter three
3 hundred and ninety-one of the acts of nineteen hundred and
4 seventy-six, is hereby repealed.

5 Said chapter 178 is hereby amended by inserting after section 13
6 the following section: —

7 *Section 13A.* 1. On or after November first, nineteen hundred
8 and eighty-five, any person employed by any savings and insur-
9 ance bank or by any agency established in accordance with section
10 13 who as part of his duties negotiates for applications or orders
11 for life insurance or annuity contracts or solicits or procures from
12 the public applications or orders shall be required to be examined
13 as to his competency and trustworthiness by the Commissioner of
14 Insurance and the Trustees of the General Insurance Guaranty
15 Fund before engaging in such activities.

16 2. Before any such examination shall be given there shall be on

17 file at the Division of Insurance and the Division of Savings Bank
18 Life Insurance the following documents: —

19 (a) A written application by the person to be examined in such
20 form or forms and containing such information as the Commis-
21 sioner and the Trustees of the General Insurance Guaranty Fund
22 may prescribe, and

23 (b) A statement by the savings and insurance bank or agency
24 that the person named is trustworthy and competent to negotiate
25 for applications or orders for life insurance or annuity contracts
26 and to solicit and procure from the public such applications or
27 orders. Such statements shall be executed by an officer or the
28 savings and insurance bank or agency.

29 3. The Commissioner of Insurance and the Trustees of the
30 General Insurance Guaranty Fund shall, in order to determine the
31 trustworthiness and the competency of the applicant, require such
32 individual to pass to their satisfaction an examination equivalent
33 to the examinations given to persons applying for life insurance
34 agents' licenses under Section 163 of Chapter 175. Such examina-
35 tions shall be held at such times and places as the Commissioner
36 and the Trustees of the General Insurance Guaranty Fund shall
37 from time to time determine. The Commissioner of Insurance and
38 the Trustees of the General Insurance Guaranty Fund may accept
39 in lieu of any such examination the results of any previous written
40 examination given by them, which, in their judgment is equivalent
41 to the examination for which it is substituted.

42 4. The Commissioner of Insurance and the Trustees of the
43 General Insurance Guaranty Fund shall issue to the employing
44 savings and insurance bank or agency a written affirmation with
45 respect to each such applicant who has complied with the require-
46 ments of this section.

47 5. Either the Commissioner of Insurance or the Trustees of the
48 General Insurance Guaranty Fund may refuse to license any per-
49 son if, in their judgment, such person is not trustworthy and
50 competent or has failed to comply with any prerequisite for the
51 issuance of any such license.

52 6. Any license issued hereunder shall remain in effect during the
53 time for which the savings and insurance bank or agency employ-
54 ing such person is authorized under this Chapter to conduct the

55 business of life insurance in this Commonwealth, unless sooner
56 revoked or suspended pursuant to the provisions of subsection
57 7(a) or sooner terminated by the savings and insurance bank or
58 agency pursuant to the provisions of subsection 9.

59 If either the Commissioner of Insurance or the Trustees of the
60 General Insurance Guaranty Fund deem it necessary they may
61 require any person to submit an application for a new certificate at
62 any time.

63 7. (a) Either the Commissioner of Insurance or the Trustees of
64 the General Guaranty Fund may for cause shown and after a
65 hearing revoke or suspend for such period as they may determine
66 any license issued under this section.

67 (b) Notice of the hearing specified herein shall be given to the
68 employer named in such license before revoking or suspending any
69 license.

70 8. On or after November first, nineteen hundred and eighty-
71 five, it shall be unlawful for any person employed by any savings
72 and insurance bank or by any agency as part of his duties to
73 negotiate for applications or orders for life insurance or annuity
74 contracts or to solicit or procure from the public such applica-
75 tions or orders, unless a license has been issued by the Commis-
76 sioner of Insurance and Trustees of the General Insurance Guar-
77 anty that such person has complied with the provisions of this
78 section. On or after such date it shall be unlawful for any savings
79 and insurance bank or any agency to employ any person as part of
80 his duties to negotiate for applications or orders for life insurance
81 or annuity contracts or to solicit or procure from the public such
82 applications or orders unless a license has been issued with respect
83 to such person.

84 9. Every savings and insurance bank or agency upon termina-
85 tion of services of any person for whom a license has been issued
86 under this section shall forthwith file with the Commissioner of
87 Insurance and the Trustees of the General Insurance Guaranty
88 Fund a statement in such form as they may prescribe of the facts
89 relative to such termination and the cause thereof. The license
90 issued with respect to such person shall accompany the notice of
91 termination to the Trustees of the General Insurance Guaranty
92 Fund.

93 10. The Commissioner of Insurance and the Trustees of the
94 General Insurance Guaranty Fund are authorized to transfer the
95 license issued for any person from one savings and insurance bank
96 or agency without examination.

97 11. This act shall take effect on November first, nineteen
98 hundred and eighty-five.