

HOUSE No. 1041

By Mr. Murphy of Lowell, petition of Kevin J. Murphy and others for legislation to establish the office of Commissioner of Insurance as an elected position. Financial Services.

The Commonwealth of Massachusetts

PETITION OF:

Kevin J. Murphy
Thomas A. Golden, Jr.

David M. Nangle
Steven C. Panagiotakos

In the Year Two Thousand and Seven.

AN ACT CALLING FOR ACCOUNTABILITY OF THE COMMISSIONER OF INSURANCE BY CONVERTING THE POSITION TO AN ELECTED OFFICE.

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

- 1 Chapter 175 of the General Laws is hereby amended by adding
- 2 after Section 3B the following new sections:—
- 3 Section 3C. Election of Insurance Commissioner.
- 4 (a) “Commissioner”, as used in this section, is the commissioner
- 5 of the division of insurance.
- 6 (b) The commissioner shall be elected by the people in the same
- 7 time, place, and manner, and for the same term, as the Governor.
- 8 (c) The commissioner in office on the effective date of this
- 9 section shall continue in office for the remainder of the term for
- 10 which the commissioner was appointed and until a successor is duly
- 11 elected and qualified.
- 12 (d) The commissioner of insurance shall be a person having expe-
- 13 rience with insurance and matters relating thereto; and shall give
- 14 personal presence and attention to the duties of the office; but in no
- 15 case shall such commissioner be in the employment of any insurance
- 16 company or have any official connection with any insurance com-
- 17 pany or insurance agency, or have any financial interest in any insur-
- 18 ance company or insurance agency other than as policyholder.
- 19 (e) The commissioner may be removed from office for just cause,
- 20 as provided by the impeachment provisions of the constitution of the
- 21 commonwealth.

22 (f) A vacancy in the office of commissioner shall be filled by
23 appointment by the Governor.

24 Section 3D. Contributions to Insurance Commissioner.

25 (a) Definitions. As used in this section, the following terms shall
26 have the following meanings:

27 “Bundling” means the process by which campaign contributions
28 are gathered from more than one individual or committees that
29 gather funds and provide them in a coordinated fashion to a candi-
30 date, a campaign committee or an entity thereof.

31 “Campaign committee” means the candidate, person, or com-
32 mittee which accepts contributions to bring about the nomination for
33 elections of an individual to the office of insurance commissioner.

34 “Contribution” means a gift, subscription, membership, loan, for-
35 giveness of debt, advance or deposit of money, or anything of value
36 conveyed or transferred for the purpose of influencing the nomina-
37 tion for election or election of an individual to the office of insur-
38 ance commissioner or encouraging the holder of such office to seek
39 reelection.

40 The term “contribution” shall include the payment of a qualifying
41 fee for and on behalf of a candidate for the office of insurance com-
42 missioner and any other payment or purchase made for and on
43 behalf of the holder of the office of insurance commissioner or for or
44 on behalf of a candidate for that office when such payment or pur-
45 chase is made for the purpose of influencing the nomination for elec-
46 tion or election of the candidate and is made pursuant to the request
47 or authority of the holder of such office, the candidate, the campaign
48 committee of the candidate, or any other agent of the holder of such
49 office or candidate. The term “contribution” shall not include the
50 value of personal services performed by persons who serve on a vol-
51 untary basis without compensation from any source.

52 “Insurance Commissioner” means the commissioner of the divi-
53 sion of insurance.

54 “Political action committee” means any committee, club, associa-
55 tion, partnership, corporation, labor union, or other group of persons
56 which receives donations aggregating in excess of one thousand dol-
57 lars during a calendar year from persons who are members or sup-
58 porters of the committee and which distributes these funds as
59 contributions to one or more campaign committees of candidates for
60 public office. Such term does not mean a campaign committee.

61 “Regulated entity” means any person who is required by law to be
62 licensed by or subject to the jurisdiction of the insurance commis-
63 sioner or a board under the jurisdiction of the insurance commis-
64 sioner, any person who leases property owned by or for a state
65 department, or any person who engages in a business or profession
66 which is regulated by an elected executive officer.

67 (b) No regulated entity and no person or political action com-
68 mittee acting on behalf of a regulated entity shall make a contribu-
69 tion to or on behalf of a person holding office as insurance
70 commissioner regulating such entity or to or on behalf of a candidate
71 for the office of insurance commissioner regulating such entity or to
72 or on behalf of a campaign committee of any such candidate.

73 (c) No person holding office as insurance commissioner and no
74 candidate for the office of insurance commissioner and no campaign
75 committee of a candidate for the office of insurance commissioner
76 shall accept a contribution in violation of subsection (b) of this
77 section.

78 (d) No person who is a present employee, director, consultant, or
79 attorney of, or who is affiliated with, any regulated entity shall par-
80 ticipate in the bundling of contributions to a candidate for the office
81 of insurance commissioner. Violation of this section shall be pun-
82 ished by a fine of not less than ten thousand dollars nor more than
83 fifty thousand dollars.

84 (e) It shall be unlawful and a violation of this section for any reg-
85 ulated entity or other person to require another by coercive action to
86 make any contribution to a candidate or the campaign committee of
87 a candidate. Violation of this section shall be punished by a fine of
88 not less than ten thousand dollars nor more than fifty thousand dol-
89 lars.

90 (f) All candidates for insurance commissioner shall disclose the
91 following information to the secretary of state in computerized form:
92 the contributor’s full name, home address, the date of the contribu-
93 tion, and the amount of the contribution.

94 (g) Candidates for insurance commissioner are prohibited from
95 accepting any donation or contribution unless all of the information
96 required in section (2) subsection (f) is provided.