

SENATE NO. 573

AN ACT AUTHORIZING THE CONVERSION OF THE LIQUOR LIABILITY JOINT UNDERWRITING ASSOCIATION OF MASSACHUSETTS INTO THE LIQUOR LIABILITY MUTUAL INSURANCE COMPANY

*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. Chapter 223 of the acts of 1985, as most recently amended by chapter 166 of the
2 acts of 2004, is hereby further amended by providing that the provisions of chapter 223 of the Acts of
3 1985, sections 1 through 13, providing for the creation and administration of the Liquor Liability Joint
4 Underwriting Association of Massachusetts, shall terminate upon the conversion of the Liquor
5 Liability Joint Underwriting Association of Massachusetts into the Liquor Liability Mutual Insurance
6 Company.

7 SECTION 2. The Liquor Liability Mutual Insurance Company.

8 Definitions

9 Section 1. As used in this act the following words shall have the following meanings:

10 “Association,” the Liquor Liability Joint Underwriting Association established pursuant to
11 chapter two hundred and twenty-three of the acts of nineteen hundred and eighty -five.

12 “Liquor liability insurance,” insurance coverage against the legal liability of the insured for
13 loss, damage or expense incident to a claim arising out of the death or injury or damage to the property
14 of any person as the result of negligence in the service of alcoholic beverages.

15 Section 2. The commissioner of insurance is hereby authorized and directed to approve the
16 conversion of the Association and the Association is hereby converted into a mutual insurance
17 company to be known as the Liquor Liability Mutual Insurance Company, which shall succeed to and
18 assume all of the assets and liabilities of the Association. All rights, interests and properties of the
19 Association shall, without any further act or deed, be the property of the resulting mutual company,
20 and the resulting mutual company shall remain bound by all obligations and liabilities of the
21 Association including, without limitation, the rights and obligations of the Association under the
22 policies of insurance issued by it. No contracts, claims, suits or other rights of or against the
23 association shall be affected by this conversion.

24 Section 3. The Liquor Liability Mutual Insurance Company shall be authorized to transact
25 any and all kinds of liquor liability insurance and other lines of insurance for which it may be licensed,
26 as the commissioner may approve subject to the restrictions of section forty-eight A of chapter one
27 hundred seventy-five of the General Laws; except as provided herein, or in its articles of organization
28 or by-laws, such mutual company shall have all powers conferred upon a mutual insurance company
29 incorporated in the commonwealth. Except as provided herein, such company shall be subject to all
30 provisions of the General Laws which are now or may in the future be applicable to such companies;
31 and provided further that nothing in this act shall diminish the regulatory authority of the
32 commissioner of insurance as set forth in chapter two hundred and twenty-six of the acts of nineteen
33 hundred and ninety-three with respect to such company.

34 Section 4. The Liquor Liability Mutual Insurance Company shall be governed by a board
35 of directors which shall, notwithstanding any other provisions of law, be constituted and selected in
36 the manner set forth in the company's by-laws. Notwithstanding any other provision of law, the

37 officers of the company shall be authorized on behalf of the board to solicit proxies from the members
38 and to vote such proxies without limitation as to number of votes so cast.

39 Section 5. The Liquor Liability Mutual Insurance Company shall be subject to the
40 provisions of chapter one hundred seventy-five A of the General Laws to the extent that those
41 provisions otherwise apply to a mutual insurance company incorporated in the commonwealth, and
42 shall be authorized to issue non-assessable policies.

43 Section 6. The Liquor Liability Mutual Insurance Company shall make available all liquor
44 liability insurance coverage that it offers generally to applicants in Massachusetts. The liquor liability
45 coverage will be available to Massachusetts liquor licensees and all of those applicants for liquor
46 liability insurance who serve alcoholic beverages as an incident of their business but for which a
47 license is not required.