



# *The Commonwealth of Massachusetts*

*Office of the Commissioner of Banks*

*One South Station*

*Boston, Massachusetts 02110*

JANE SWIFT  
GOVERNOR

THOMAS J. CURRY  
COMMISSIONER

April 16, 2002

Mr. Adam W. Johnson  
Meltzer, Purtil & Stelle LLC  
Schaumburg Corporate Center  
1515 East Woodfield Road  
Second Floor  
Schaumburg, IL 60173-5431

Dear Mr. Johnson:

This letter is in response to your correspondence dated April 4, 2002 to the Division of Banks (the "Division") asking several questions relative to the requirements of Massachusetts General Laws chapter 255C.

According to your letter, your office represents a national bank (the "Bank"). The Bank is interested in providing insurance premium financing in Massachusetts through a division of the Bank. Although your letter notes that the Bank would be exempt from licensure pursuant to section 2 of said chapter 255C, you seek clarification with regard to the following questions:

- 1) whether the Bank is required to file its forms with the Commonwealth;
- 2) whether the Bank may compensate insurance agents and brokers for referring insurance premium finance clients, for example, through rebates or referral fees;
- 3) whether the Bank must file an annual report with the state with respect to its insurance premium finance activities; and
- 4) whether the Bank must comply with the other requirements.

With regard to your first, third, and fourth questions, as noted in your letter, the Bank is exempt from licensure pursuant to said section 2. Accordingly, the Division would not require the Bank to file any forms, annual reports, or comply with any other requirement set forth in said chapter 255C regarding insurance premium finance agencies. However, if you have not already done so, the Division recommends that you contact the Corporations Division of the Office of the Secretary of State at 617-727-9640 to ensure compliance with any requirements they may have.

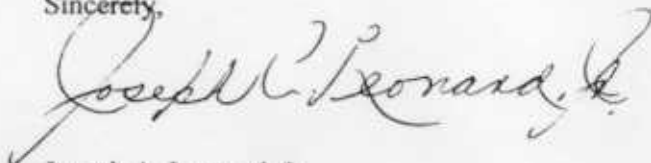
With regard to your second question, although section 12 of said chapter 255C would prohibit an insurance premium finance agency from paying compensation for referrals as



described in your letter, as noted above, the Bank is exempt from licensure as an insurance premium finance agency pursuant to said section 2. Accordingly, the prohibition set forth in said section 12 relative to payment of compensation for referrals would not apply to the Bank. This letter does not opine as to the applicability of any other federal or state laws not within the Division's jurisdiction.

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from those presented may result in a different position statement from the Division.

Sincerely,



Joseph A. Leonard, Jr.  
Deputy Commissioner of Banks  
and General Counsel