

**Joint Committee on Financial Services**  
**The 194th General Court of the Commonwealth of Massachusetts**  
**2025-2026**  
**Bill Summary**

**Bill No:** H3947

**Title:** An Act relative to the examination of insurance company merger

**Sponsor:** Rep. John J. Lawn Jr.

**Hearing Date:** November 4, 2025

**Reporting Date:** January 3, 2026

**Similar Matters:** None

**Prior History:**

**Current Law:**

***G.L. Chapter 175 Sec. 19A deals with Mergers or Consolidations of insurance companies***  
Details what happens during a merger.

Companies merging/ consolidating shall enter into a written agreement prescribing the terms and conditions, what business the company would transact in, the amount of capital stock, and how the number of shares that will be divided.

The resulting corporation/company are subject to the laws of chapter 175. The merging companies can only happen if the respective board of directors vote in the majority for the merger and approved by two thirds of the stock holders. Notice of the meeting for the merger needs to be posted weekly for 3 weeks in the newspaper where the principal companies are located. If not shareholders, then the majority vote of the board of directors and two thirds of the policyholders has to approve of the merger.

Merger must have written approval of commissioner. The commissioner will receive the resolutions authorizing the merger. State secretary also gets a copy of the agreement and shall issue a certificate of reincorporation to the continuing corporation.

The new company/corporation may ask for original stock back in each of the companies and issue stock of the merged company at equal value. All rights and properties of former companies shall go to the new merged company.

## **Summary:**

In an emergency situation and if it is deemed by the commissioner that immediate action is required to prevent damage to public health, the Commissioner doesn't need to act on a merger if:

1. Companies are licensed to sell accident or health insurance.
2. A non-profit hospital
3. A non-profit medical service corporation
4. A dental service corporation
5. An optometric service corporation
6. An HMO
7. A preferred provider arrangement
8. A health benefit plan
9. A dental benefit insurance plan

However, normal rules applies if the merger application has been in the Division for 60 days, if the AG, the center for health information and analysis, the health policy commission, the executive office of health and human services and the office of Medicaid have received notice of merger and have been given time to respond/comment, and if a public hearing has been held when requested by applicant, the AG, the center for health information and analysis, the health policy commission, the executive office of health and human services, the office of Medicaid or any 10 taxpayers of the commonwealth