SENATE DOCKET, NO. 266 FILED ON: 1/14/2015

SENATE . . . . . No. 549

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Rodrigues

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to notice requirements for insurance premium changes and insurance coverage changes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Michael J. Rodrigues	*First Bristol and Plymouth*
Michael O. Moore	*Second Worcester*

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SENATE . . . . . No. 549

By Mr. Rodrigues, a petition (accompanied by bill, Senate, No. 549) of Michael J. Rodrigues for legislation relative to notice requirements for insurance premium changes and insurance coverage changes. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act relative to notice requirements for insurance premium changes and insurance coverage changes.

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

Chapter 175 of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by inserting, after section 225, the following new section: -

Section 226 A. Notwithstanding any general or special law to the contrary, an insurer shall provide to the first-named insured at the mailing address shown on the policy, and to the insurance producer of record, written notice of any premium increase in excess of 15 percent (15%) and shall also provide the exact renewal premium, at least forty-five (45) days prior to the expiration date of the policy unless the premium increase is the result of an audit or the increase is the result of an increase in exposure at the request of the insured. Not less than forty five (45) days written notice, as provided herein, shall be required for any coverage elimination, reduction, diminution or increased deductible not at the request of the insured and in this case the notice shall itemize and describe the coverage changes and shall be separate from the renewal policy. If the insurer fails to provide such notice, the coverage provided to the named insured shall remain

13 in effect until notice is provided or until the effective date of replacement coverage obtained by
14 the named insured, whichever occurs first. For the purposes of this section, notice is considered
15 given forty-five (45) days following date of giving of notice. If the named insured elects not to
16 renew, any earned premium for the period of extension of the terminated policy shall be
17 calculated pro-rata at the lower of the current or previous year's rate. If the insured accepts the
18 renewal, the premium increase, if any, and other changes shall be effective the day following the
19 prior policy's expiration or anniversary date.

20 B. This section shall not apply to changes based upon the altered nature or extent of the
21 risk insured.

22 C. For purposes of this section, notice to the insurance producer of record shall not apply
23 to an insurance producer of record who

24 (1) Is an employee of the insurer; or

25 (2) Is a non-employee exclusive agent of the insurer; provided, however, notice as
26 required by this section, shall in all applicable cases, be provided to the named insured.