

**HOUSE . . . . . No. 962**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act relating to insurance company rebates..

*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. Section 182, of chapter 175 of the General Laws, as appearing in the 2006  
2 official Edition, shall be amended by striking the section in its entirety and replacing it with the  
3 following section:-

4 Section 182. No company, no officer or agent thereof and no insurance broker shall pay  
5 or allow, or offer to pay or allow, in connection with placing or negotiating any policy of  
6 insurance or any annuity or pure endowment contract or the continuance or renewal thereof, any  
7 valuable consideration or inducement, in an amount greater than one-hundred dollars, not  
8 specified in the policy or contract, or any special favor or advantage in the dividends or other  
9 benefits to accrue thereon; or shall give, sell or purchase, or offer to give, sell or purchase,  
10 anything of value in an amount greater than one-hundred dollars whatsoever not specified in the  
11 policy; or shall give, sell, negotiate, deliver, issue, or authorize to issue or offer to give, sell,  
12 negotiate, deliver, issue, or authorize to issue any policy of workers' compensation insurance, or  
13 any motor vehicle liability bond or any motor vehicle liability policy, both as defined in section  
14 thirty-four A of chapter ninety, at a rate different from that fixed, established or approved by the

15 commissioner. No such company, officer, agent or broker shall at any time pay or allow, or offer  
16 to pay or allow, any rebate of any premium paid or payable on any policy of insurance or any  
17 annuity or pure endowment contract. Nothing in this chapter shall prevent any life company from  
18 making supplemental agreements, not specified in the policy, which give the policy owner or  
19 insured the right to borrow money from the life company in connection with a student loan  
20 insurance program, pursuant to United States Public Law 89-329, or pursuant to any similar  
21 federal statute; provided, however, that such loans are to be made, issued, assumed or guaranteed  
22 by the United States of America or any instrumentality thereof, or by any state of the United  
23 States.

24 SECTION 2. Section 183, of chapter 175 of the General Laws, as appearing in the 2006  
25 official Edition, shall be amended by striking the section in its entirety and replacing it with the  
26 following section:-

27 Section 183. No person shall receive or accept from any company or officer or agent  
28 thereof, or any insurance broker, or any other person, any such rebate of premium paid or  
29 payable on the policy or contract, or any special favor or advantage in the dividends or other  
30 benefits to accrue thereon, or any valuable consideration or inducement in an amount greater  
31 than one-hundred dollars not specified in the policy or contract or any policy of workers'  
32 compensation insurance, or any motor vehicle liability bond or any motor vehicle liability policy,  
33 both as defined in section thirty-four A of chapter ninety, at a rate different from that fixed,  
34 established or approved by the commissioner. No person shall be excused from testifying, or  
35 from producing any books, papers, contracts, agreements or documents at the trial of any other  
36 person charged with violating any provision of this and the preceding section, on the ground that  
37 such testimony or evidence may tend to incriminate himself; but no person shall be prosecuted

38 for any act concerning which he shall be compelled so to testify or produce evidence,  
39 documentary or otherwise, except for perjury committed in so testifying.

40 SECTION 3. Section 3, of chapter 176D of the General Laws, as appearing in the 2006  
41 official Edition, shall be amended by striking paragraph (8) in its entirety and replacing it with  
42 the following paragraph:-

43 (8) Rebates: Except as otherwise expressly provided by law, knowingly permitting or  
44 offering to make or making any insurance contract, including but not limited to a contract for life  
45 insurance, life annuity or accident and health insurance, or agreement as to such contract other  
46 than as plainly expressed in the insurance contract issued thereon, or paying or allowing, or  
47 giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance  
48 or annuity any rebate of premiums payable on the contract, or any special favor or advantage in  
49 the dividends or other benefits thereon, or any valuable consideration or inducement, in an  
50 amount greater than one-hundred dollars, whatever not specified in the contract; or giving, or  
51 selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance  
52 contract, or annuity or in connection therewith, any stocks, bonds, or other securities of any  
53 insurance company or other corporation, association, or partnership, or any dividends or profits  
54 accrued thereon, or anything of value whatsoever not specified in the contract.