

**HOUSE . . . . . No. 1184**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*William C. Galvin*

*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 preventing fraud.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>William C. Galvin</i>	<i>6th Norfolk</i>	<i>1/20/2011</i>

**HOUSE . . . . . No. 1184**

By Mr. Galvin of Canton, petition (accompanied by bill, House, No. 1184) of William C. Galvin relative to preventing fraud in life and accident and health insurance policies. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 892 OF 2009-2010.]

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Eleven**

An Act relative to preventing fraud.

*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 186 of chapter 175 of the General Laws, as appearing in the 2006  
2 Official Edition, is hereby amended by adding at the end thereof, the following paragraph:-  
3 Notwithstanding the provisions of sections one hundred and eight and one hundred and thirty  
4 two of this chapter, no company shall be barred by the passage of any period of time from  
5 asserting as a defense to a claim under any insurance policy, or as grounds for rescission, that the  
6 statements contained in the life or accident or sickness insurance policy application, or any  
7 reinstatement application, were fraudulent and made with actual intent to deceive and gain  
8 coverage that the applicant or insured would not otherwise have qualified for. Said defense to a  
9 claim under this paragraph must be pertinent to said policy; and, provided further, that  
10 inadvertent mistakes made by an insured in the negotiation of a policy of insurance as set out in  
11 this paragraph shall not constitute fraud. Any such action for rescission hereunder must be

12 brought within three years of the time that the insurer discovered or reasonably should have  
13 discovered the fraud by the applicant.

14 SECTION 2. This act shall apply to all life and accident and health policies hereafter  
15 delivered or issued for delivery in the Commonwealth, any contract provision notwithstanding,  
16 and to any policy of life or accident and health insurance that has not become incontestable by its  
17 terms prior to the effective date of this act.