

**HOUSE . . . . . No. 3930**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Twelve**  
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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. Chapter 175 of the General Laws is amended by striking out section 182,  
2 as appearing in the 2010 Official Edition, and inserting in place thereof the following section:—

3           Section 182. No company, no officer or agent thereof and no insurance broker shall pay  
4 or allow, or offer to pay or allow, in connection with placing or negotiating any policy of  
5 insurance or any annuity or pure endowment contract or the continuance or renewal thereof, any  
6 valuable consideration or inducement in an amount greater than \$50, or any cash, or gift cards,  
7 not specified in the policy or contract, or any special favor or advantage in the dividends or other  
8 benefits to accrue thereon; or shall give, sell or purchase, or offer to give, sell or purchase,  
9 anything of value in an amount greater than \$50 whatsoever not specified in the policy; or shall  
10 give, sell, negotiate, deliver, issue, or authorize to issue or offer to give, sell, negotiate, deliver,  
11 issue, or authorize to issue any policy of workers' compensation insurance, or any motor vehicle  
12 liability bond or any motor vehicle liability policy, both as defined in section 34A of chapter 90,  
13 at a rate different from that fixed, established or approved by the commissioner. Valuable  
14 consideration or inducement shall not include any advice or services provided by or through an

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

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27 SECTION 2. Said chapter 175 is hereby further amended by striking out section 183, as  
28 appearing in the 2010 official edition, and inserting in its place thereof the following section:-

29 Section 183. No person shall receive or accept from any company or officer or agent  
30 thereof, or any insurance broker, or any other person, any such rebate of premium paid or  
31 payable on the policy or contract, or any special favor or advantage in the dividends or other  
32 benefits to accrue thereon, or any valuable consideration or inducement in an amount greater  
33 than \$50, or any cash, or gift cards, not specified in the policy or contract or any policy of  
34 workers' compensation insurance, or any motor vehicle liability bond or any motor vehicle  
35 liability policy, both as defined in section 34A of chapter 90, at a rate different from that fixed,  
36 established or approved by the commissioner. Valuable consideration or inducement shall not

37 include any advice or services provided by or through an insurance company, insurance agent, or  
38 third party provided by either, related to risk assessment, risk management tools, claims  
39 assistance, claims reduction, administrative consulting, or advice or services designed to reduce  
40 risk, claims or claims expenses. No person shall be excused from testifying, or from producing  
41 any books, papers, contracts, agreements or documents at the trial of any other person charged  
42 with violating any provision of this and the preceding section, on the ground that such testimony  
43 or evidence may tend to incriminate himself; but no person shall be prosecuted for any act  
44 concerning which he shall be compelled so to testify or produce evidence, documentary or  
45 otherwise, except for perjury committed in so testifying.

46 SECTION 3. Section 3 of chapter 176D of the General Laws, as appearing in the 2010  
47 Official Edition, is hereby amended by striking out paragraph (8) and inserting in place thereof  
48 following paragraph:—

49 (8) Rebates: Except as otherwise expressly provided by law, knowingly permitting or  
50 offering to make or making any insurance contract, including but not limited to a contract for life  
51 insurance, life annuity or accident and health insurance, or agreement as to such contract other  
52 than as plainly expressed in the insurance contract issued thereon, or paying or allowing, or  
53 giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance  
54 or annuity any rebate of premiums payable on the contract, or any special favor or advantage in  
55 the dividends or other benefits thereon, or any valuable consideration or inducement in an  
56 amount greater than \$50, or any cash, or gift cards, not specified in the contract; or giving, or  
57 selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance  
58 contract, or annuity or in connection therewith, any stocks, bonds, or other securities of any  
59 insurance company or other corporation, association, or partnership, or any dividends or profits

60 accrued thereon, or anything of value whatsoever not specified in the contract. Valuable  
61 consideration or inducement shall not include any advice or services provided by or through an  
62 insurance company, insurance agent, or third party provided by either, related to risk assessment,  
63 risk management tools, claims assistance, claims reduction, administrative consulting, or advice  
64 or services designed to reduce risk, claims or claims expenses.