

HOUSE No. 869

The Commonwealth of Massachusetts

PRESENTED BY:

Thomas P. Conroy

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 insurance company rebates.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>	<i>1/18/2013</i>

HOUSE No. 869

By Mr. Conroy of Wayland, a petition (accompanied by bill, House, No. 869) of Thomas P. Conroy relative to insurance company rebates. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative 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 as an inducement in an amount greater than twenty five dollars, or any
7 cash or gift cards, not specified in the policy or contract, or any special favor or advantage in the
8 dividends or other benefits to accrue thereon; or shall give, sell or purchase, or offer to give, sell
9 or purchase, anything of value whatsoever as an inducement in an amount greater than twenty
10 five dollars, or any cash or gift cards, not specified in the policy; or shall give, sell, negotiate,
11 deliver, issue, or authorize to issue or offer to give, sell, negotiate, deliver, issue, or authorize to
12 issue any policy of workers' compensation insurance, or any motor vehicle liability bond or any
13 motor vehicle liability policy, both as defined in section 34A of chapter 90, at a rate different
14 from that fixed, established or approved by the commissioner. Valuable consideration or rebate
15 or anything of value shall not include any advice or services provided by or through an insurance
16 company, insurance agent, or third party provided by either, related to risk assessment, risk
17 management tools, claims assistance, claims reduction, administrative services, or advice or
18 services designed to reduce risk, claims or claims expenses. No such company, officer, agent or
19 broker shall at any time pay or allow, or offer to pay or allow, any rebate of any premium paid or
20 payable on any policy of insurance or any annuity or pure endowment contract. Nothing in this
21 chapter shall prevent any life company from making supplemental agreements, not specified in
22 the policy, which give the policy owner or insured the right to borrow money from the life
23 company in connection with a student loan insurance program, pursuant to United States Public

24 Law 89-329, or pursuant to any similar federal statute; provided, however, that such loans are to
25 be made, issued, assumed or guaranteed by the United States of America or any instrumentality
26 thereof, or by any state of the United States.

27

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

30 Section 183. No person shall receive or accept from any company or officer or agent
31 thereof, or any insurance broker, or any other person, any such rebate of premium paid or
32 payable on the policy or contract, or any special favor or advantage in the dividends or other
33 benefits to accrue thereon, or any valuable consideration as an inducement in an amount greater
34 than twenty five dollars, or any cash or gift cards, not specified in the policy or contract or any
35 policy of workers' compensation insurance, or any motor vehicle liability bond or any motor
36 vehicle liability policy, both as defined in section 34A of chapter 90, at a rate different from that
37 fixed, established or approved by the commissioner. Valuable consideration or rebate or
38 anything of value shall not include any advice or services provided by or through an insurance
39 company, insurance agent, or third party provided by either, related to risk assessment, risk
40 management tools, claims assistance, claims reduction, administrative services, or advice or
41 services designed to reduce risk, claims or claims expenses. No person shall be excused from
42 testifying, or from producing any books, papers, contracts, agreements or documents at the trial
43 of any other person charged with violating any provision of this and the preceding section, on the
44 ground that such testimony or evidence may tend to incriminate himself; but no person shall be
45 prosecuted for any act concerning which he shall be compelled so to testify or produce evidence,
46 documentary or otherwise, except for perjury committed in so testifying.

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

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

61 profits accrued thereon, or anything of value in an amount greater than twenty five dollars, or
62 any cash or gift cards, not specified in the contract. Valuable consideration or rebate or anything
63 of value shall not include any advice or services provided by or through an insurance company,
64 insurance agent, or third party provided by either, related to risk assessment, risk management
65 tools, claims assistance, claims reduction, administrative services, or advice or services designed
66 to reduce risk, claims or claims expenses.