

**SENATE . . . . . No. 482**

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**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 non-payment of insurance premiums from escrowed funds by lending institutions.

PETITION OF:

NAME:

*Michael J. Rodrigues*

DISTRICT/ADDRESS:

*First Bristol and Plymouth*

**SENATE . . . . . No. 482**

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By Mr. Rodrigues, a petition (accompanied by bill, Senate, No. 482) of Michael J. Rodrigues for legislation relative to non-payment of insurance premiums from escrowed funds by lending institutions. Financial Services.

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Thirteen**  
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An Act relative to non-payment of insurance premiums from escrowed funds by lending institutions.

*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 167E of the General Laws, as appearing in the 2010 Official  
2 Edition, is hereby amended by inserting after section 8, the following section:-

3           Section 9. If the lender, as a result of neglect, fails to pay the insurance premium on a  
4 property insurance policy on property secured by a mortgage when the insurance premium is due  
5 and there are sufficient escrowed funds on deposit to pay said insurance premium, and if the  
6 property owner suffers a loss as a result of this failure, then the lender is liable for the loss;  
7 except, however, that with respect to any loss, which would otherwise have been insured, the  
8 extent of the liability shall not exceed the coverage limits of any insurance policy, which has  
9 lapsed. The lender shall pay the insurance premium and any increased cost for securing a new  
10 insurance policy for a period of three (3) years.