

SENATE No. 492

The Commonwealth of Massachusetts

PRESENTED BY:

Kenneth J. Donnelly

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 notice requirements for insurance premium changes and insurance coverage changes.

PETITION OF:

NAME:

Kenneth J. Donnelly

DISTRICT/ADDRESS:

Fourth Middlesex

SENATE No. 492

By Mr. Donnelly, a petition (accompanied by bill, Senate, No. 492) of Kenneth J. Donnelly for legislation relative to notice requirements for insurance premium changes and insurance coverage changes. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to notice requirements for insurance premium changes and insurance coverage changes.

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, as appearing in the 2012 Official
2 Edition, is hereby amended by inserting after section 225, the following new section:-

3 Section 226. (a) Notwithstanding any general or special law to the contrary, an insurer
4 shall provide to the first-named insured at the mailing address shown on the policy, and to the
5 insurance producer of record, written notice of any premium increase in excess of 15 percent
6 (15%) and shall also provide the exact renewal premium, at least 45 days prior to the expiration
7 date of the policy unless the premium increase is the result of an audit or the increase is the result
8 of an increase in exposure at the request of the insured. Not less than 45 days written notice, as
9 provided herein, shall be required for any coverage elimination, reduction, diminution or
10 increased deductible not at the request of the insured and in this case the notice shall itemize and
11 describe the coverage changes and shall be separate from the renewal policy. If the insurer fails
12 to provide such notice, the coverage provided to the named insured shall remain in effect until

13 notice is provided or until the effective date of replacement coverage obtained by the named
14 insured, whichever occurs first. For the purposes of this section, notice is considered given 45
15 days following date of giving of notice. If the named insured elects not to renew, any earned
16 premium for the period of extension of the terminated policy shall be calculated pro-rata at the
17 lower of the current or previous year's rate. If the insured accepts the renewal, the premium
18 increase, if any, and other changes shall be effective the day following the prior policy's
19 expiration or anniversary date.

20 (b) This section shall not apply to changes based upon the altered nature or extent of the
21 risk insured.

22 (c) For purposes of this section, notice to the insurance producer of record shall not apply
23 to an insurance producer of record who:

24 (1) Is an employee of the insurer; or

25 (2) Is a non-employee exclusive agent of the insurer; provided, however, notice as
26 required by this section, shall in all applicable cases, be provided to the named insured.