

**HOUSE . . . . . No. 2961**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Russell E. Holmes***

*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>Russell E. Holmes</i>	<i>6th Suffolk</i>	<i>1/20/2017</i>
<i>Carlos González</i>	<i>10th Hampden</i>	

**HOUSE . . . . . No. 2961**

By Mr. Holmes of Boston, a petition (accompanied by bill, House, No. 2961) of Russell E. Holmes and Carlos Gonzalez relative to insurance company rebates. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 872 OF 2015-2016.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

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, as  
2 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 or allow,  
4 or offer to pay or allow, in connection with placing or negotiating any policy of insurance or any  
5 annuity or pure endowment contract or the continuance or renewal thereof, any valuable  
6 consideration as an inducement in an amount greater than twenty five dollars, or any cash or gift  
7 cards, not specified in the policy or contract, or any special favor or advantage in the dividends  
8 or other benefits to accrue thereon; or shall give, sell or purchase, or offer to give, sell or  
9 purchase, anything of value whatsoever as an inducement in an amount greater than twenty five  
10 dollars, or any cash or gift cards, not specified in the policy; or shall give, sell, negotiate, deliver,  
11 issue, or authorize to issue or offer to give, sell, negotiate, deliver, issue, or authorize to issue any

12 policy of workers compensation insurance, or any motor vehicle liability bond or any motor  
13 vehicle liability policy, both as defined in section 34A of chapter 90, at a rate different from that  
14 fixed, established or approved by the commissioner. Valuable consideration or rebate or anything  
15 of value shall not include any advice or services provided by or through an insurance company,  
16 insurance agent, or third party provided by either, related to risk assessment, risk management  
17 tools, claims assistance, claims reduction, administrative services, or advice or services designed  
18 to reduce risk, claims or claims expenses. No such company, officer, agent or broker shall at any  
19 time pay or allow, or offer to pay or allow, any rebate of any premium paid or payable on any  
20 policy of insurance or any annuity or pure endowment contract. Nothing in this chapter shall  
21 prevent any life company from making supplemental agreements, not specified in the policy,  
22 which give the policy owner or insured the right to borrow money from the life company in  
23 connection with a student loan insurance program, pursuant to United States Public Law 89-329,  
24 or pursuant to any similar federal statute; provided, however, that such loans are to be made,  
25 issued, assumed or guaranteed by the United States of America or any instrumentality thereof, or  
26 by any state of the United States.

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 thereof, or  
30 any insurance broker, or any other person, any such rebate of premium paid or payable on the  
31 policy or contract, or any special favor or advantage in the dividends or other benefits to accrue  
32 thereon, or any valuable consideration as an inducement in an amount greater than twenty five  
33 dollars, or any cash or gift cards, not specified in the policy or contract or any policy of workers  
34 compensation insurance, or any motor vehicle liability bond or any motor vehicle liability policy,

35 both as defined in section 34A of chapter 90, at a rate different from that fixed, established or  
36 approved by the commissioner. Valuable consideration or rebate or anything of value 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 services, 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 the first paragraph of subsection (8) and  
48 inserting in place thereof following: (8) Rebates: Except as otherwise expressly provided by law,  
49 knowingly permitting or offering to make or making any insurance contract, including but not  
50 limited to a contract for life insurance, life annuity or accident and health insurance, or  
51 agreement as to such contract other than as plainly expressed in the insurance contract issued  
52 thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly,  
53 as inducement to such insurance or annuity any rebate of premiums payable on the contract, or  
54 any special favor or advantage in the dividends or other benefits thereon, or any valuable  
55 consideration as an inducement in an amount greater than twenty five dollars, or any cash or gift  
56 cards, not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or  
57 purchase as inducement to such insurance contract, or annuity or in connection therewith, any

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