SENATE DOCKET, NO. 1087 FILED ON: 2/11/2021

SENATE . . . . . No. 727

The Commonwealth of Massachusetts

PRESENTED BY:

Michael F. Rush

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 preventing fraud.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Michael F. Rush	*Norfolk and Suffolk*

SENATE DOCKET, NO. 1087 FILED ON: 2/11/2021

SENATE . . . . . No. 727

By Mr. Rush, a petition (accompanied by bill, Senate, No. 727) of Michael F. Rush for legislation relative to preventing fraud in life and accident and health insurance policies. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *643* OF 2019-2020.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to preventing fraud.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 186 of chapter 175 of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by adding at the end thereof, the following subsection:-

(c) Notwithstanding the provisions of sections one hundred and eight and one hundred and thirty two of this chapter, no company shall be barred by the passage of any period of time from asserting as a defense to a claim under any insurance policy, or as grounds for rescission, that the statements contained in the life or accident or sickness insurance policy application, or any reinstatement application, were fraudulent and made with actual intent to deceive and gain coverage that the applicant or insured would not otherwise have qualified for. Said defense to a claim under this paragraph must be pertinent to said policy; and, provided further, that inadvertent mistakes made by an insured in the negotiation of a policy of insurance as set out in

this paragraph shall not constitute fraud. Any such action for rescission hereunder must be brought within three years of the time that the insurer discovered or reasonably should have discovered the fraud by the applicant.

SECTION 2. This act shall apply to all life and accident and health policies hereafter delivered or issued for delivery in the Commonwealth, any contract provision notwithstanding, and to any policy of life or accident and health insurance that has not become incontestable by its terms prior to the effective date of this act.