HOUSE DOCKET, NO. 487 FILED ON: 1/9/2025

HOUSE . . . . . No. 1233

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Lawn, Jr.

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:
John J. Lawn, Jr.	*10th Middlesex*	*1/9/2025*

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HOUSE . . . . . No. 1233

By Representative Lawn of Watertown, a petition (accompanied by bill, House, No. 1233) of John J. Lawn, Jr., relative to insurance company rebates. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *1077* OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

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:

SECTION 1. Chapter 175 of the General Laws is amended by striking out section 182, as appearing in the 2020 Official Edition, and inserting in place thereof the following section:

Section 182. No company, no officer or agent thereof and no insurance broker shall pay or allow, or offer to pay or allow, in connection with placing or negotiating any policy of insurance or any annuity or pure endowment contract or the continuance or renewal thereof, any valuable consideration or inducement in an amount greater than twenty five dollars not specified in the policy or contract, or any special favor or advantage in the dividends or other benefits to accrue thereon; or shall give, sell or purchase, or offer to give, sell or purchase, anything of value whatsoever in an amount greater than twenty five dollars not specified in the policy; or shall give, sell, negotiate, deliver, issue, or authorize to issue or offer to give, sell, negotiate, deliver, issue, or authorize to issue any policy of workers' compensation insurance, or any motor vehicle

liability bond or any motor vehicle liability policy, both as defined in section thirty-four A of chapter ninety, at a rate different from that fixed, established or approved by the commissioner. Valuable consideration or inducement shall not include any products or services provided at no or a reduced cost by or through an insurance company, insurance agent, or third party representative, when such products or services are not specified in the policy of insurance, if the products or services relate to the insurance coverage and are primarily designed to satisfy one or more of the following: (i) provide loss mitigation or loss control; (ii) reduce claim costs or claim settlement costs; (iii) provide education about liability risks or risk of loss to persons or property; (iv) monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk; (v) provide administrative services; (vi) enhance health; (vii) enhance financial wellness through items such as education or financial planning services; (viii) provide post-loss services; (ix) incent behavioral changes to improve the health or reduce the risk of death or disability of a customer (defined for purposes of this section as policyholder, potential policyholder, certificate holder, potential certificate holder, insured, potential insured or applicant); or (x) assist in the administration of the employee or retiree benefit insurance coverage.

No such company, officer, agent or broker shall at any time pay or allow, or offer to pay or allow, any rebate of any premium paid or payable on any policy of insurance or any annuity or pure endowment contract. Nothing in this chapter shall prevent any life company from making supplemental agreements, not specified in the policy, which give the policy owner or insured the right to borrow money from the life company in connection with a student loan insurance program, pursuant to United States Public Law 89–329, or pursuant to any similar federal statute;

provided, however, that such loans are to be made, issued, assumed or guaranteed by the United States of America or any instrumentality thereof, or by any state of the United States.

SECTION 2. Said chapter 175 is hereby further amended by striking out section 183, as appearing in the 2020 official edition, and inserting in its place thereof the following section:-

Section 183. No person shall receive or accept from any company or officer or agent thereof, or any insurance broker, or any other person, any such rebate of premium paid or payable on the policy or contract, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration as an inducement in an amount greater than twenty five dollars not specified in the policy or contract or any policy of workers compensation insurance, or any motor vehicle liability bond or any motor vehicle liability policy, both as defined in section 34A of chapter 90, at a rate different from that fixed, established or approved by the commissioner. Valuable consideration or inducement shall not include any products or services provided at no or a reduced cost by or through an insurance company, insurance agent, or third party representative, when such products or services are not specified in the policy of insurance, if the products or services relate to the insurance coverage and are primarily designed to satisfy one or more of the following: (i) provide loss mitigation or loss control; (ii) reduce claim costs or claim settlement costs; (iii) provide education about liability risks or risk of loss to persons or property; (iv) monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk; (v) provide administrative services; (vi) enhance health; (vii) enhance financial wellness through items such as education or financial planning services; (viii) provide post-loss services; (ix) incent behavioral changes to improve the health or reduce the risk of death or disability of a customer (defined for purposes of this section as policyholder, potential policyholder, certificate holder, potential certificate holder, insured, potential insured or

applicant); or (x) assist in the administration of the employee or retiree benefit insurance coverage. No person shall be excused from testifying, or from producing any books, papers, contracts, agreements or documents at the trial of any other person charged with violating any provision of this and the preceding section, on the ground that such testimony or evidence may tend to incriminate himself; but no person shall be prosecuted for any act concerning which he shall be compelled so to testify or produce evidence, documentary or otherwise, except for perjury committed in so testifying.

SECTION 3. Section 3 of chapter 176D of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out the first paragraph of subsection (8) and inserting in place thereof following: (8) Rebates: Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any insurance contract, including but not limited to a contract for life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the insurance contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance or annuity any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration as an inducement in an amount greater than twenty five dollars not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such insurance contract, or annuity or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value in an amount greater than twenty five dollars not specified in the contract. Valuable consideration or inducement shall not include any products or services provided at no or a reduced cost by or through an insurance company,

insurance agent, or third party representative, when such products or services are not specified in the policy of insurance, if the products or services relate to the insurance coverage and are primarily designed to satisfy one or more of the following: (i) provide loss mitigation or loss control; (ii) reduce claim costs or claim settlement costs; (iii) provide education about liability risks or risk of loss to persons or property; (iv) monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk; (v) provide administrative services; (vi) enhance health; (vii) enhance financial wellness through items such as education or financial planning services; (viii) provide post-loss services; (ix) incent behavioral changes to improve the health or reduce the risk of death or disability of a customer (defined for purposes of this section as policyholder, potential policyholder, certificate holder, potential certificate holder, insured, potential insured or applicant); or (x) assist in the administration of the employee or retiree benefit insurance coverage.