

**HOUSE . . . . . No. 869**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Thomas P. Conroy*

*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:

*Thomas P. Conroy*

DISTRICT/ADDRESS:

*13th Middlesex*

**HOUSE . . . . . No. 869**

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By Mr. Conroy of Wayland, a petition (accompanied by bill, House, No. 869) of Thomas P. Conroy relative to insurance company rebates. 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 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,  
2 as 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  
4 or allow, or offer to pay or allow, in connection with placing or negotiating any policy of  
5 insurance or any annuity or pure endowment contract or the continuance or renewal thereof, any  
6 valuable consideration as an inducement in an amount greater than twenty five dollars, or any  
7 cash or gift cards, not specified in the policy or contract, or any special favor or advantage in the  
8 dividends or other benefits to accrue thereon; or shall give, sell or purchase, or offer to give, sell  
9 or purchase, anything of value whatsoever as an inducement in an amount greater than twenty  
10 five dollars, or any cash or gift cards, not specified in the policy; or shall give, sell, negotiate,  
11 deliver, issue, or authorize to issue or offer to give, sell, negotiate, deliver, issue, or authorize to  
12 issue any policy of workers’ compensation insurance, or any motor vehicle liability bond or any  
13 motor vehicle liability policy, both as defined in section 34A of chapter 90, at a rate different  
14 from that fixed, established or approved by the commissioner. Valuable consideration or rebate  
15 or anything of value shall not include any advice or services provided by or through an insurance  
16 company, insurance agent, or third party provided by either, related to risk assessment, risk  
17 management tools, claims assistance, claims reduction, administrative services, or advice or  
18 services designed to reduce risk, claims or claims expenses. No such company, officer, agent or  
19 broker shall at any time pay or allow, or offer to pay or allow, any rebate of any premium paid or  
20 payable on any policy of insurance or any annuity or pure endowment contract. Nothing in this  
21 chapter shall prevent any life company from making supplemental agreements, not specified in  
22 the policy, which give the policy owner or insured the right to borrow money from the life  
23 company in connection with a student loan insurance program, pursuant to United States Public

24 Law 89-329, or pursuant to any similar federal statute; provided, however, that such loans are to  
25 be made, issued, assumed or guaranteed by the United States of America or any instrumentality  
26 thereof, or by any state of the United States.

27

28 SECTION 2. Said chapter 175 is hereby further amended by striking out section 183, as  
29 appearing in the 2010 official edition, and inserting in its place thereof the following section:-

30 Section 183. No person shall receive or accept from any company or officer or agent  
31 thereof, or any insurance broker, or any other person, any such rebate of premium paid or  
32 payable on the policy or contract, or any special favor or advantage in the dividends or other  
33 benefits to accrue thereon, or any valuable consideration as an inducement in an amount greater  
34 than twenty five dollars, or any cash or gift cards, not specified in the policy or contract or any  
35 policy of workers' compensation insurance, or any motor vehicle liability bond or any motor  
36 vehicle liability policy, both as defined in section 34A of chapter 90, at a rate different from that  
37 fixed, established or approved by the commissioner. Valuable consideration or rebate or  
38 anything of value shall not include any advice or services provided by or through an insurance  
39 company, insurance agent, or third party provided by either, related to risk assessment, risk  
40 management tools, claims assistance, claims reduction, administrative services, or advice or  
41 services designed to reduce risk, claims or claims expenses. No person shall be excused from  
42 testifying, or from producing any books, papers, contracts, agreements or documents at the trial  
43 of any other person charged with violating any provision of this and the preceding section, on the  
44 ground that such testimony or evidence may tend to incriminate himself; but no person shall be  
45 prosecuted for any act concerning which he shall be compelled so to testify or produce evidence,  
46 documentary or otherwise, except for perjury committed in so testifying.

47 SECTION 3. Section 3 of chapter 176D of the General Laws, as appearing in the 2010  
48 Official Edition, is hereby amended by striking out the first paragraph of subsection (8) and  
49 inserting in place thereof following:—

50 (8) Rebates: Except as otherwise expressly provided by law, knowingly permitting or  
51 offering to make or making any insurance contract, including but not limited to a contract for life  
52 insurance, life annuity or accident and health insurance, or agreement as to such contract other  
53 than as plainly expressed in the insurance contract issued thereon, or paying or allowing, or  
54 giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance  
55 or annuity any rebate of premiums payable on the contract, or any special favor or advantage in  
56 the dividends or other benefits thereon, or any valuable consideration as an inducement in an  
57 amount greater than twenty five dollars, or any cash or gift cards, not specified in the contract; or  
58 giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to such  
59 insurance contract, or annuity or in connection therewith, any stocks, bonds, or other securities of  
60 any insurance company or other corporation, association, or partnership, or any dividends or

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