

The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1269

Title: AN ACT TO ELIMINATE PENALTY CHARGES WHEN CANCELING AUTO INSURANCE

Sponsor: Representative James M. Murphy

Committee: Financial Services

Hearing Date: May 27, 2025

Reporting Date: July 26, 2025

Similar Matters: N/A

Prior History:

H1071 (2019-2020) Favorable- SPS
H1165 (2021-2022) Favorable- SPS – 2nd Reading
H 1102 (2023-2024) Favorable- SPS

Current Law:

M.G.L Chapter 175 Section 22C: Cancellation of motor vehicle policies

No company shall issue any policy of insurance which provides coverage, as described in section thirty-four O of chapter ninety, or coverage against loss or damage to, or loss of, motor vehicles resulting from collision, fire, lightning, larceny, pilferage, theft, malicious mischief, vandalism or other perils usually insured against; or provides personal injury protection or which insures any person against legal liability for loss or damage on account of the bodily injury or death of any other persons or on account of any damages to property of another, arising out of the ownership, maintenance, control or use of motor vehicles, including a motor vehicle liability policy as defined in section thirty-four A of chapter ninety, unless said policy contains a provision that, except with respect to a notice of cancellation issued either before or after the effective renewal date by the company to take effect within the first ninety days of the renewal policy period for those policies not renewed in accordance with section twenty-two E or except with respect to a notice of cancellation issued for failure of the applicant to complete and furnish the insurance company a renewal application on a form prescribed by the commissioner at least thirty days before the expiration of the previous policy period, it shall be noncancellable by the company, except for nonpayment of premiums, fraud or a material misrepresentation in the application for insurance or renewal thereof, or unless the operator's license or motor vehicle registration of the named insured or of any other person who resides in the same household as the named insured and who usually operates a motor vehicle insured under the policy has been under suspension or revocation during the policy period, or for coverages which insurers refuse to offer under the provisions of paragraph (A) of section one hundred and thirteen H, or in the

event an insured fails to comply with a request for any inspection, provided for under the provisions of section thirty-four O of chapter ninety, of his vehicle by his insurer. Every company cancelling an insurance policy under authority of this paragraph shall, upon demand, refund within thirty days all money due to the insured as the result of such cancellation. Any company violating the provisions of the preceding sentence shall be liable to the insured in an action of contract for double the amount of the refund plus reasonable legal fees.

Any person aggrieved by the issue of any notice of cancellation affecting any insurance which insures against loss or damage to or loss of use of motor vehicles from collision, fire, lightning, any larceny, pilferage, theft, malicious mischief, vandalism or any other perils usually insured against in such policies, or which insures any person against legal liability for loss or damage on account of bodily injury or death of any other person or on account of any damages to the property of another, arising out of the ownership, maintenance, control or use of motor vehicles, or which insures, irrespective of any legal liability, any person, including the named insured in respect to the reasonable expense of medical, surgical, x-ray, dental (including prosthetic devices), ambulance, hospital, professional nursing and funeral expenses resulting from the ownership, maintenance or use of motor vehicles, may appeal to the board of appeal on motor vehicle liability policies and bonds in accordance with and subject to the provisions of section one hundred and thirteen D upon a form to be prescribed by the commissioner.

Summary:

Insurance companies would be required to provide pro-rated rebates without any additional charges or expenses to policyholders who cancel their auto insurance policies or switch to another insurance company.