

Joint Committee on Financial Services
The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1233

Title: An Act relative to insurance company rebates.

Sponsor: Representative John J. Lawn Jr.

Hearing Date: May 13, 2025

Reporting Date: July 12, 2025

Similar Matters: N/A

Prior History:

H1031 (2019-2020) Study

H1141 (2021-2022) Favorable, SPS, 2nd

H1077 (2023-2024) Favorable, SPS, 3rd

Current Law:

M.G.L. Chapter 175 §182 prohibits inducing of an insurance contract, favors, or giving anything of value in connection with placing or negotiating any car insurance policy not approved by the insurance commissioner. §183 prohibits individuals from accepting rebates on premiums paid toward an insurance policy.

Subsection (8) M.G.L. 176D §3 defines rebates as an unfair method of competition in the insurance business.

Summary:

Allows for rebates, cash, or gift cards of \$25 or less from all types of insurance companies/agents while negotiating policies. Right now, it's prohibited. \$25 limitation doesn't apply to discounts in policy, e.g. gym membership from health insurance.

The bill would amend §182 to allow consideration to be paid in an amount less than twenty-five dollars, or any cash or gift cards, in connection with policy negotiations. Otherwise, such consideration is prohibited if not specified in the policy contract. Would prohibit individuals from accepting rebates not specified in the contract unless the amount of such rebate is less than twenty-five dollars, or any cash or gift cards. Classifies payments of rebates in an amount greater than twenty-five dollars as an unfair method of competition and unfair or deceptive practice.

In all sections, valuable consideration or rebate or anything of value shall not include any advice or services provided by or through an insurance company, insurance agent, or third-party provider either, related to risk assessment, risk management tools, claims assistance, claims reduction, administrative services, or advice or services designed to reduce risk, claims or claims expenses.