

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Ronald Mariano

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 passage of the accompanying bill:

An Act relating to insurance company rebates.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Ronald Mariano	3rd Norfolk

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1031 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATING 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. Section 182, of chapter 175 of the General Laws, as appearing in the 2006 official
2 Edition, shall be amended by striking the section in its entirety and replacing it with the
3 following section:-
4 Section 182. No company, no officer or agent thereof and no insurance broker shall pay or
5 allow, or offer to pay or allow, in connection with placing or negotiating any policy of insurance
6 or any annuity or pure endowment contract or the continuance or renewal thereof, any valuable
7 consideration or inducement, in an amount greater than one-hundred dollars, not specified in the
8 policy or contract, or any special favor or advantage in the dividends or other benefits to accrue
9 thereon; or shall give, sell or purchase, or offer to give, sell or purchase, anything of value in an
10 amount greater than one-hundred dollars whatsoever not specified in the policy; or shall give,
11 sell, negotiate, deliver, issue, or authorize to issue or offer to give, sell, negotiate, deliver, issue,
12 or authorize to issue any policy of workers' compensation insurance, or any motor vehicle

13 liability bond or any motor vehicle liability policy, both as defined in section thirty-four A of
14 chapter ninety, at a rate different from that fixed, established or approved by the commissioner.
15 No such company, officer, agent or broker shall at any time pay or allow, or offer to pay or
16 allow, any rebate of any premium paid or payable on any policy of insurance or any annuity or
17 pure endowment contract. Nothing in this chapter shall prevent any life company from making
18 supplemental agreements, not specified in the policy, which give the policy owner or insured the
19 right to borrow money from the life company in connection with a student loan insurance
20 program, pursuant to United States Public Law 89-329, or pursuant to any similar federal statute;
21 provided, however, that such loans are to be made, issued, assumed or guaranteed by the United
22 States of America or any instrumentality thereof, or by any state of the United States.

23 SECTION 2. Section 183, of chapter 175 of the General Laws, as appearing in the 2006 official
24 Edition, shall be amended by striking the section in its entirety and replacing it with the
25 following section:-

26 Section 183. No person shall receive or accept from any company or officer or agent thereof, or
27 any insurance broker, or any other person, any such rebate of premium paid or payable on the
28 policy or contract, or any special favor or advantage in the dividends or other benefits to accrue
29 thereon, or any valuable consideration or inducement in an amount greater than one-hundred
30 dollars not specified in the policy or contract or any policy of workers' compensation insurance,
31 or any motor vehicle liability bond or any motor vehicle liability policy, both as defined in
32 section thirty-four A of chapter ninety, at a rate different from that fixed, established or approved
33 by the commissioner. No person shall be excused from testifying, or from producing any books,
34 papers, contracts, agreements or documents at the trial of any other person charged with violating
35 any provision of this and the preceding section, on the ground that such testimony or evidence

36 may tend to incriminate himself; but no person shall be prosecuted for any act concerning which
37 he shall be compelled so to testify or produce evidence, documentary or otherwise, except for
38 perjury committed in so testifying.

39 SECTION 3. Section 3, of chapter 176D of the General Laws, as appearing in the 2006 official
40 Edition, shall be amended by striking paragraph (8) in its entirety and replacing it with the
41 following paragraph:-

42 (8) Rebates: Except as otherwise expressly provided by law, knowingly permitting or offering to
43 make or making any insurance contract, including but not limited to a contract for life insurance,
44 life annuity or accident and health insurance, or agreement as to such contract other than as
45 plainly expressed in the insurance contract issued thereon, or paying or allowing, or giving or
46 offering to pay, allow, or give, directly or indirectly, as inducement to such insurance or annuity
47 any rebate of premiums payable on the contract, or any special favor or advantage in the
48 dividends or other benefits thereon, or any valuable consideration or inducement, in an amount
49 greater than one-hundred dollars, whatever not specified in the contract; or giving, or selling, or
50 purchasing or offering to give, sell, or purchase as inducement to such insurance contract, or
51 annuity or in connection therewith, any stocks, bonds, or other securities of any insurance
52 company or other corporation, association, or partnership, or any dividends or profits accrued
53 thereon, or anything of value whatsoever not specified in the contract.