

HOUSE No. 2178

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 rebate law reform.

PETITION OF:

NAME:

John J. Lawn, Jr.

DISTRICT/ADDRESS:

10th Middlesex

HOUSE No. 2178

By Mr. Lawn of Watertown, a petition (accompanied by bill, House, No. 2178) of John J. Lawn, Jr. relative to rebates on certain insurance policies, annuities or pure endowment contracts. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to rebate law reform.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 175:182

2 Section 182. No company, no officer or agent thereof and no insurance broker shall pay
3 or allow, or offer to pay or allow, in connection with placing or negotiating any policy of
4 insurance or any annuity or pure endowment contract or the continuance or renewal thereof, any
5 valuable consideration or inducement not specified in the policy or contract, or any special favor
6 or advantage in the dividends or other benefits to accrue thereon; or shall give, sell or purchase,
7 or offer to give, sell or purchase, anything of value whatsoever not specified in the policy; or
8 shall give, sell, negotiate, deliver, issue, or authorize to issue or offer to give, sell, negotiate,
9 deliver, issue, or authorize to issue any policy of workers' compensation insurance, or any motor
10 vehicle liability bond or any motor vehicle liability policy, both as defined in section thirty-four
11 A of chapter ninety, at a rate different from that fixed, established or approved by the
12 commissioner. No such company, officer, agent or broker shall at any time pay or allow, or offer

13 to pay or allow, any rebate of any premium paid or payable on any policy of insurance or any
14 annuity or pure endowment contract. Nothing in this chapter shall prevent any life company from
15 making supplemental agreements, not specified in the policy, which give the policy owner or
16 insured the right to borrow money from the life company in connection with a student loan
17 insurance program, pursuant to United States Public Law 89: 329, or pursuant to any similar
18 federal statute; provided, however, that such loans are to be made, issued, assumed or guaranteed
19 by the United States of America or any instrumentality thereof, or by any state of the United
20 States. For purposes of this Section conducting promotional or advertising programs whereby
21 prizes, goods, wares, gift cards, gift certificates, event tickets, merchandise and other items not
22 exceeding \$100.00 in value per customer or prospective customer in the aggregate in any one
23 calendar year does not violate this Section.

24 176D:3(8)

25 (8) Rebates: Except as otherwise expressly provided by law, knowingly permitting or
26 offering to make or making any insurance contract, including but not limited to a contract for life
27 insurance, life annuity or accident and health insurance, or agreement as to such contract other
28 than as plainly expressed in the insurance contract issued thereon, or paying or allowing, or
29 giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance
30 or annuity any rebate of premiums payable on the contract, or any special favor or advantage in
31 the dividends or other benefits thereon, or any valuable consideration or inducement whatever
32 not specified in the contract; or giving, or selling, or purchasing or offering to give, sell, or
33 purchase as inducement to such insurance contract, or annuity or in connection therewith, any
34 stocks, bonds, or other securities of any insurance company or other corporation, association, or
35 partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not

36 specified in the contract. For purposes of this Section conducting promotional or advertising
37 programs whereby prizes, goods, wares, gift cards, gift certificates, event tickets, merchandise
38 and other items not exceeding \$100.00 in value per customer or prospective customer in the
39 aggregate in any one calendar year does not violate this Section.