

**HOUSE . . . . . No. 493**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Antonio F. D. Cabral***

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*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 to require notice of auto insurance changes and insurance coverage.

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PETITION OF:

NAME:

*Antonio F. D. Cabral*

DISTRICT/ADDRESS:

*13th Bristol*

**HOUSE . . . . . No. 493**

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By Mr. Cabral of New Bedford, a petition (accompanied by bill, House, No. 493) of Antonio F. D. Cabral relative to notices required for motor vehicle insurance premium and coverage changes. Financial Services.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
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An Act to require notice of auto insurance changes and insurance coverage.

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

1 Chapter 175 of the General Laws is hereby amended by inserting after section 225, the  
2 following section:-

3 Section 226. Notice Required for Auto Insurance Premium Changes and Insurance  
4 Coverage Changes.

5 (a) Notwithstanding any General Law or special law to the contrary, at least 45 days  
6 prior to the expiration date of the policy, an insurer shall provide written notice to the first-  
7 named insured at the mailing address shown on the policy and to the insurance producer of  
8 record. Said written notice shall include—

9 (1) any premium increase in excess of 15 per cent; and

10 (2) the exact renewal premium.

11           (b)     Subsection (a) shall not apply to any premium increase that is the result of an  
12     audit or the result of an increase in exposure at the request of the insured.

13           (c)     Notice Requirements.

14           (1)     An insurer shall provide notice, as described in subsection (a), not less than 45  
15     days following any coverage elimination, reduction, diminution or increased deductible not at the  
16     request of the insured.

17           (2)     Notice, as described in subsection (a), shall itemize and describe the coverage  
18     changes and shall be separate from the renewal policy.

19           (3)     If the insurer fails to provide such notice, as described in subsection (a), the  
20     coverage provided to the named insured shall remain in effect until notice is provided or until the  
21     effective date of replacement coverage obtained by the named insured, whichever occurs first.

22           (4)     For the purposes of this section, notice, as described in subsection (a), is  
23     considered provided 45 days following date of giving of notice.

24           (d)     If the named insured elects not to renew, any earned premium for the period of  
25     extension of the terminated policy shall be calculated pro-rata at the lower of the current or  
26     previous year's rate. If the insured accepts the renewal, the premium increase, if any, and other  
27     changes shall be effective the day following the prior policy's expiration or anniversary date.  
28     The provisions of this section shall only apply to policies issued to commercial policyholders.

29           (e)     This section shall not apply to changes based upon the altered nature or extent of  
30     the risk insured.

31           (f)     For purposes of this section, notice to the insurance producer of record shall not  
32 apply to an insurance producer of record who is—

33           (1)     an employee of the insurer; or

34           (2)     a non-employee exclusive agent of the insurer; provided, however, notice as  
35 required by this section, shall in all applicable cases, be provided to the named insured.