

By Ms. Melconian, a petition (accompanied by bill, Senate, No. 662) of the Associated General Contractors of Massachusetts, Inc. by William D. Kane, and Linda J. Melconian for legislation to prohibit gaps in coverage in certain insurance policies. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Eight.

AN ACT TO PROHIBIT GAPS IN INSURANCE PAID FOR BY CONSUMERS.

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

- 1 Insert in Chapter One Hundred and Seventy-Five, Section One
- 2 Hundred Ninety-Three G following the second sentence the
- 3 following two new sentences:
- 4 The commissioner shall prohibit for General Liability and
- 5 Excess Liability coverage the use of insurance forms containing
- 6 a "Claims Made" clause unless certain safeguards are contained
- 7 within the policy to protect the policyholder from gaps in
- 8 coverage. Prohibited gaps in coverage include, but are not limited
- 9 to: sole control by the insurer over the retroactive date; or
- 10 coverage not initiated by giving Notice of Incident.

The Commission on Governmental Reorganization
has the honor to acknowledge the receipt of your letter of the 15th instant
concerning the proposed reorganization of the Executive Department
and to advise you that the same has been referred to the
proper authorities for their consideration.

The Commission on Governmental Reorganization

Reference is made to the letter of the 15th instant and your letter
of the 15th instant regarding the proposed reorganization of the
Executive Department.

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