

# HOUSE . . . . No. 1632

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By Mr. O'Shea of Lynn, petition of George J. O'Shea that insurance companies be required to notify policyholders in writing of reasons for revoking liability insurance on motor vehicles. Insurance.

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Nine.

AN ACT PROVIDING THAT INSURANCE COMPANIES REVOKING MOTOR VEHICLE LIABILITY POLICIES MUST NOTIFY POLICY HOLDERS IN WRITING OF THE REASONS THEREFOR.

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

1 Provision (2) of section one hundred and thirteen A  
2 of chapter one hundred and seventy-five of the Gen-  
3 eral Laws, as most recently amended by section one  
4 of chapter one hundred and forty-five of the acts of  
5 nineteen hundred and thirty-three, is hereby further  
6 amended by inserting after the word "party" the  
7 second time it occurs in the fifth line the following:—  
8 , stating the reason therefor, — so as to read as fol-  
9 lows:— (2) That, except as otherwise provided in  
10 provision (2) A and in section one hundred and thir-  
11 teen D, no cancellation of the policy, whether by the  
12 company or by the insured, shall be valid unless  
13 written notice thereof is given by the party proposing

14 cancellation to the other party, stating the reason  
15 therefor, and to the registrar of motor vehicles in  
16 such form as the department of public works may  
17 prescribe, at least fifteen days in each case prior to  
18 the intended effective date thereof, which date shall  
19 be expressed in said notice, and that notice of cancel-  
20 lation sent by the company to the insured, by regis-  
21 tered mail, postage prepaid, with a return receipt of  
22 the addressee requested, addressed to him at his  
23 residence or business address stated in the policy  
24 shall be a sufficient notice and that an affidavit of  
25 any officer, agent or employee of the company, duly  
26 authorized for the purpose, that he has so sent such  
27 notice addressed as aforesaid shall be prima facie  
28 evidence of the sending thereof as aforesaid; together  
29 with a provision that, in the event of a cancellation  
30 by the insured, he shall, if he has paid the premium  
31 on the policy to the company, or to its agent who  
32 issued the policy, or to the duly licensed insurance  
33 broker, if any, by whom the policy was negotiated,  
34 be entitled to receive a return premium after deduct-  
35 ing the customary monthly short rates for the time  
36 the policy shall have been in force, or in the event of  
37 cancellation by the company, the insured shall, if he  
38 has paid the premium as aforesaid, be entitled to  
39 receive a return premium calculated on a pro rata  
40 basis; provided, that if the insured after the sending  
41 of a notice of cancellation by the company, which is  
42 also duly filed with the registrar of motor vehicles,  
43 or after giving such a notice to the company and the  
44 said registrar, files a new certificate under section  
45 thirty-four H of chapter ninety prior to the intended  
46 effective date of such cancellation, the filing of said  
47 certificate shall operate to terminate the policy on the

48 date of said filing, and the return premium, if any,  
49 payable to the insured shall be computed as of the  
50 date of said filing, instead of the intended effective  
51 date of cancellation expressed in the notice thereof;  
52 and provided further, that if the final effective date  
53 of a cancellation by the company is fixed by an order  
54 of the board of appeal on motor vehicle liability poli-  
55 cies and bonds or of the superior court, or a justice  
56 thereof, as provided in section one hundred and  
57 thirteen D, the return premium, if any, payable to  
58 the insured shall be computed as of such final effective  
59 date.

