

# HOUSE . . . . . No. 5498

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## *The Commonwealth of Massachusetts*

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HOUSE OF REPRESENTATIVES, April 27, 1992.

The committee on Insurance, to whom were referred the petition (accompanied by bill, House, No. 582) of John C. McNeil for legislation to further protect elderly persons in meeting health care and life insurance needs, and the petition (accompanied by bill, House, No. 2317) of Mary Jeanette Murray for legislation to further protect elderly citizens in meeting their health care and life insurance needs, reports recommending that the accompanying bill (House, No. 5498) ought to pass.

For the committee,

FRANCIS G. MARA.

## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Ninety-Two.

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AN ACT TO FURTHER PROTECT ELDERLY CITIZENS IN MEETING THEIR HEALTH CARE AND LIFE INSURANCE NEEDS.

*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 110 of Chapter 175 of the General Laws  
2 is hereby amended by adding the following subsection after  
3 subsection (K): —

4 (l) notwithstanding any other provision of law to the contrary,  
5 no insurer shall: (1) direct any advertisement or solicitation for  
6 any Medicare supplement policy or certificate to any Medicare-  
7 eligible resident of the Commonwealth unless such insurer has  
8 filed a copy of such advertisement or solicitation with the  
9 Commissioner of Insurance; or (2) provide insurance under any  
10 Medicare supplement policy or certificate to any Medicare-  
11 eligible resident of the Commonwealth, unless the Commissioner  
12 has determined that such Medicare supplement policy and or  
13 certificate complies with the requirements of the rules and  
14 regulations promulgated by the Commissioner under this  
15 subsection.

16 The Commissioner shall promulgate appropriate rules and  
17 regulations to implement this subsection which shall include but  
18 not be limited to the following:

19 (1) minimum loss ratios and other standards for determining  
20 that the total charges for any medicare supplement policy or  
21 certificate are reasonable in relation to the benefits under such  
22 policies or certificate, (2) standards for advertising and  
23 solicitations for Medicare supplement policies and certificates to  
24 ensure that they are not false or misleading, including standards  
25 relating to celebrity endorsements, lead cards, and brochures or  
26 mailers sent to prospective applicants, and (3) standards for being  
27 considered a group contract or policy.

28 For the purposes of this subsection, the following terms shall  
29 be defined as stated.

30 "Medicare eligible resident" shall mean any resident of the  
31 Commonwealth who is eligible under 42 U.S.C.A. Sec-  
32 tion 1395 (o) for the Federal Health Insurance for Aged and  
33 Disabled commonly known as Medicare.

34 "Medicare supplement policy or certificate" shall mean any  
35 policy or certificate of accident and sickness insurance which is  
36 advertised, marketed, or designed for the purpose of supplement-  
37 ing reimbursements under Medicare for the hospital, medical or  
38 surgical expenses of Medicare-eligible residents of the Common-  
39 wealth. Such terms shall not include:

40 (1) A group policy of insurance (or certificate in connection  
41 therewith) issued to one or more employers or labor organizations  
42 or the trustees of any fund established by one or more employers  
43 or labor organizations, or combination thereof, or for employees  
44 or former employees or combination thereof, or for members or  
45 former members, or combination thereof, of such labor  
46 organization; or

47 (2) A group policy of insurance (or certificate in connection  
48 therewith) issued to any professional, trade or occupational  
49 association for its members or former or retired members, or  
50 combination thereof, in such association provided such  
51 association:

52 (A) Is composed of individuals all of whom are engaged or  
53 have been engaged in the same profession, trade or occupation;

54 (B) Has been and is maintained in good faith for purposes  
55 other than for obtaining insurance; and

56 (C) Has been in existence for at least two years prior to the  
57 date of its initial offering of such policy or plan to its members;  
58 or

59 (3) A policy or certificate of long term care insurance which  
60 does not provide benefits for acute care hospital or surgical  
61 expenses; or

62 (4) Any group policy of insurance (or certificate in connection  
63 therewith) offered through any sponsoring organization formed  
64 for purposes other than to offer insurance; if such organization:

65 (A) Has been and is maintained in good faith for purposes  
66 other than obtaining insurance; and

67 (B) Has been in existence for at least two years prior to the  
68 date of its initial offering of such policy or plan to its members;  
69 or

70 (5) Any individual policy of insurance that has been filed with  
71 and approved by the division of insurance offered to a prospective  
72 insured in person through an agent licensed as such in the  
73 Commonwealth.

1 SECTION 2. Said chapter 175 is hereby further amended by  
2 inserting after section 139 the following section: —

3 Section 139A. Notwithstanding any other provision of the law  
4 to the contrary, no insurer shall: (1) direct any advertisement or  
5 solicitation for any elderly life policy or certificate to any resident  
6 of the Commonwealth 55 years or age or older unless such insurer  
7 has filed a copy of such advertisement or solicitation with the  
8 Commissioner of Insurance; or (2) provide insurance under any  
9 elderly life policy or certificate in connection with any such  
10 advertisement or solicitation to any resident of the Common-  
11 wealth 55 years or older, unless the Commissioner has determined  
12 that such elderly life policy or certificate complies with the  
13 requirements of the rules and regulations promulgated by the  
14 Commissioner under this subsection.

15 For purposes of this section, “elderly life policy or certificate”  
16 means an individual or group policy or individual or group  
17 certificate of life insurance which (1.) is available in amounts of  
18 fifteen thousand dollars or less and (2.) is offered to residents of  
19 the Commonwealth who are 55 years of age or older. Such terms  
20 shall not include:

21 (1) Any group policy of insurance (or certificate in connection  
22 therewith) issued to one or more employers or labor organizations  
23 or the trustees of any fund established by one or more employers  
24 or labor organizations, or combination thereof, for employees or  
25 former employees, or combination thereof, or for members or  
26 former members, or combination thereof, of such labor  
27 organizations; or

28 (2) Any group policy of insurance (or certificate in connection  
29 therewith) issued to any professional, trade or occupational  
30 association for its members or former or retired members or  
31 combination thereof, if such association:

32 (A) Is composed of individuals all of whom are engaged or  
33 have been engaged in the same profession, trade or occupation;

34 (B) Has been and is maintained in good faith for purposes  
35 other than for obtaining insurance; and

36 (C) Has been in existence for at least two years prior to the  
37 date of its initial offering of such policy or plan to its members;  
38 or

39 (3) Any individual policy of insurance that has been filed with  
40 and approved by the division of insurance offered to a prospective  
41 insured in person through an agent licensed as such in the  
42 Commonwealth; or

43 (4) Any group insurance policy or certificate offered through  
44 any sponsoring organization formed for the purposes other than  
45 to offer insurance; if such organization;

46 (A) Has been and is maintained in good faith for purposes  
47 other than for obtaining insurance; and

48 (B) Has been in existence for at least two years prior to the  
49 date of its initial offering of such policy or plan to its members.

50 The Commissioner shall promulgate appropriate rules and  
51 regulations to implement this Section, which shall include, but not  
52 be limited to, the following:

53 (1) minimum loss ratios and other standards for determining  
54 that the total charges for any elderly life policy or certificate are  
55 reasonable in relation to the benefits under such policy or  
56 certificate, and

57 (2) standards for advertising and solicitations for elderly life  
58 policies or certificates to ensure that they are not false or  
59 misleading, including standards relating to celebrity endorse-  
60 ments, lead cards, and brochures or mailers sent to prospective  
61 applicants.





