

HOUSE No. 6602

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, August 20, 1975.

The committee on Insurance, to whom was referred the petition (accompanied by bill, House, No. 4067) of Raymond M. LaFontaine relative to requiring a refund of all prepaid premiums upon cancellation of a life insurance policy by the insured and upon the death of the insured, report recommending that the accompanying bill (House, No. 6602) ought to pass.

For the committee,

RAYMOND M. LaFontaine.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Five.

AN ACT REQUIRING A REFUND OF ALL PREPAID PREMIUMS UPON CANCELLATION OF A LIFE INSURANCE POLICY BY THE INSURED AND UPON THE DEATH OF THE INSURED.

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. Chapter 175 of the General Laws is hereby
2 amended by inserting after section 119A, as appearing in the
3 Tercentenary Edition, the following section:—

4 *Section 119B.* Upon the death of an insured, the proceeds
5 payable under any policy of individual life insurance delivered or
6 issued for delivery in the commonwealth which is in force on a
7 premium paying basis on the date of death other than a single
8 premium life insurance policy shall include premiums paid for
9 any period beyond the end of the policy month in which death
10 occurred, unless a repayment of such premium is due some other
11 person pursuant to contract provisions.

1 SECTION 2. Said chapter 175 is hereby further amended by
2 adding after section 187G, inserted by chapter 454 of the acts of
3 1973, the following section:—

4 *Section 187H.* No policy of individual life insurance with a
5 face amount of less than twenty-five thousand dollars shall be
6 delivered or issued for delivery in the commonwealth unless it
7 shall have printed thereon or attached thereto a notice stating in
8 substance that the owner of the policy shall be permitted to cancel
9 said policy within 10 days of its delivery by the insurer if, after
10 examination of the policy, the owner is not satisfied with it for
11 any reason. If the owner, pursuant to such notice, surrenders the
12 policy to the insurer by delivering it to the home office or branch
13 office of said insurer, or to the agent through whom it was
14 purchased, any premium paid shall be refunded and the policy

15 shall upon such delivery be deemed void from the beginning. If
16 the owner pursuant to such notice surrenders the policy to the
17 insurer by delivering it to the home office or branch office of said
18 insurer, or to the agent through whom it was purchased and if the
19 insurer elects to make a charge for the insurance during the
20 period it was in force, the policy shall be deemed terminated as of
21 the date of delivery, and any premium in excess of the charge
22 shall be refunded.

1 SECTION 3. The provisions of sections one hundred and
2 nineteen B and one hundred and eighty-seven H of chapter one
3 hundred and seventy-five of the General Laws, inserted by
4 sections one and two of this act, shall apply to policies delivered
5 or issued for delivery on or after July first, nineteen hundred and
6 seventy-six.

