HOUSE DOCKET, NO. 1605 FILED ON: 1/20/2011

HOUSE . . . . . No. 1184

The Commonwealth of Massachusetts

PRESENTED BY:

William C. Galvin

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 passage of the accompanying:

An Act relative to preventing fraud.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
William C. Galvin	*6th Norfolk*

HOUSE DOCKET, NO. 1605 FILED ON: 1/20/2011

HOUSE . . . . . No. 1184

By Mr. Galvin of Canton, petition (accompanied by bill, House, No. 1184) of William C. Galvin relative to preventing fraud in life and accident and health insurance policies. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *892* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act relative to preventing fraud.

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

SECTION 1. Section 186 of chapter 175 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by adding at the end thereof, the following paragraph:- Notwithstanding the provisions of sections one hundred and eight and one hundred and thirty two of this chapter, no company shall be barred by the passage of any period of time from asserting as a defense to a claim under any insurance policy, or as grounds for rescission, that the statements contained in the life or accident or sickness insurance policy application, or any reinstatement application, were fraudulent and made with actual intent to deceive and gain coverage that the applicant or insured would not otherwise have qualified for. Said defense to a claim under this paragraph must be pertinent to said policy; and, provided further, that inadvertent mistakes made by an insured in the negotiation of a policy of insurance as set out in this paragraph shall not constitute fraud. Any such action for rescission hereunder must be brought within three years of the time that the insurer discovered or reasonably should have discovered the fraud by the applicant.

SECTION 2. This act shall apply to all life and accident and health policies hereafter delivered or issued for delivery in the Commonwealth, any contract provision notwithstanding, and to any policy of life or accident and health insurance that has not become incontestable by its terms prior to the effective date of this act.