

CAR | **Commercial Claims Performance Standards**
Appendix H | **Chapter 175, Section 24D-24E**
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PART I ADMINISTRATION OF THE GOVERNMENT
TITLE XXII CORPORATIONS
CHAPTER 175 INSURANCE
Section 24D Lump sum insurance payments; exchange of claimant information between IV-D and insurance companies; withholding of past-due child support subject to lien

Section 24D. (a) Prior to making any nonrecurring payment equal to or in excess of \$500 to a claimant under a contract of insurance, every company authorized to issue policies of insurance pursuant to this chapter shall exchange information with the IV–D agency, as set forth in chapter 119A, to ascertain whether such claimant owes past due child support to the commonwealth or to an individual to whom the IV–D agency is providing services, and is subject to a child support lien pursuant to section 6 of said chapter 119A. To determine whether a claimant owes past due child support, the company shall either provide the IV–D agency with information about the claimant or examine information made available by the IV–D agency and updated not more than once a month. If the company elects to provide the IV–D agency with information about a claimant, the company shall provide to the IV–D agency, not less than ten business days prior to making payment to such claimant, the claimant's name, address, date of birth and social security number as appearing in the company's files and such other information appearing in the company's files as the commissioner of revenue may require by regulation in consultation with the commissioner of insurance. The company shall use a method and format prescribed by the commissioner of revenue but if the company is unable to use a method and format prescribed by said commissioner of revenue, such company shall cooperate with the IV–D agency to identify another method or format, including submission of written materials. If the company elects to examine information made available by the IV–D agency and such claimant owes past due child support and is subject to a lien, the company shall notify the IV–D agency, not less than ten business days prior to making payment to such claimant, of the claimant's name, address, date of birth and social security number as appearing in the company's files and such other information appearing in the company's files as the commissioner of revenue may require by regulation in consultation with the commissioner of insurance, using a method and format prescribed by the commissioner of revenue. The company may remit to the IV–D agency the full amount of the lien or the full amount otherwise payable to the claimant at the time that it so notifies the IV–D agency at any time prior to making payment to the claimant, without regard to the ten business day period. If, at any time prior to payment, the IV–D agency notifies the company of its child support lien against a claimant by giving the company a notice of levy pursuant to said section 6 of said chapter 119A, the company shall withhold from the payment the amount of past due support as set forth in the notice of levy and shall provide such amount to the IV–D agency for disbursement to the obligee. The child support lien shall encumber the right of the claimant to payment under the policy and the company shall disburse to the claimant only that portion of the payment, if any, remaining after the child support lien has been satisfied. For the purpose of this section, the word "claimant" shall mean an individual who brings a claim against an insured under a liability insurance policy or the liability coverage portion of a multiperil policy or a beneficiary under a life insurance policy.

(b) This section shall not apply to that portion of a claim resulting in payments on behalf of the claimant issued to a third party where there is documentation showing that the third party has provided or agreed to provide the claimant with a benefit or service related to the claim including, but not limited to, the services of an attorney or a medical doctor, or to any portion of a claim based on damage to or a loss of real property. The commissioner of revenue, in consultation with the commissioner of insurance, shall promulgate regulations setting forth procedures for making payment to the IV–D agency when a third party has either provided or agreed to provide goods or services to the claimant,

and the insurance company cannot reasonably determine the remaining amount payable to the claimant.

(c) The provisions of the Employee Retirement Income Security Act limiting, for contracts of insurance, the amounts which may be assigned or attached in order to satisfy child support obligations shall apply to the provisions of this section.

(d) Pursuant to regulations issued by the commissioner of revenue in consultation with the commissioner of insurance, a company that knowingly fails to accurately exchange information regarding a claim to which this section applies shall be subject to a penalty assessed by the IV-D agency. A company that fails or refuses to surrender property subject to a child support lien to the IV-D agency shall be liable as provided in paragraph (7) of subsection (b) of section 6 of said chapter 119A. A company that makes a payment to the IV-D agency pursuant to this section and an insured individual on whose behalf the company makes a payment shall be immune from any obligation or liability to the claimant or other interested party arising from the payment, notwithstanding the provisions of this chapter or any other law.

(e) Information provided by the IV-D agency to a company under this section may only be used for the purpose of assisting the IV-D agency in collecting past due child support. Any individual or company who uses such information for any other purpose shall be liable in a civil action to the IV-D agency in the amount of \$1,000 for each violation.

(f) An individual making a claim governed by this section shall provide his current address, date of birth and social security number to the insurance company, upon the request of the company. Such company may inform the claimant that such request is being made in accordance with this section for the purpose of assisting the IV-D agency in enforcing child support liens arising pursuant to section 6 of chapter 119A. Any such individual who refuses to provide the information required by this section shall not receive payment on the claim, and the company that declines payment on this basis shall be exempt from suit and immune from liability under this chapter or any other chapter or in any common law action in law or equity.

(g) In the event of a state of emergency declared by the governor or the president of the United States, the commissioner of insurance may temporarily suspend the application of this section to claims made due to the conditions resulting in such state of emergency.

PART I ADMINISTRATION OF THE GOVERNMENT
TITLE XXII CORPORATIONS
CHAPTER 175 INSURANCE
Section 24E Duty to assist recovery of public benefits; denial of claims; penalties; electronic access; wrongful use; emergencies

Section 24E. (a) Notwithstanding the provisions of any general or special law or rule or regulation to the contrary, prior to making any nonrecurring payment equal to or in excess of \$500 to a claimant under a contract of insurance, every company authorized to issue policies of insurance pursuant to this chapter shall exchange information with the division of medical assistance and the department of transitional assistance for use by said agencies for the purpose of the recovery of public assistance benefits. The company shall either provide the division of medical assistance and the department of transitional assistance with information about the claimant or examine information made available by said agencies and updated not more than once a month. If the company elects to provide the division of medical assistance and the department of transitional assistance with information about a claimant, the company shall provide to said agencies, not less than ten business days prior to making payment to such claimant, the claimant's name, address, date of birth and social security number as appearing in the company's files and such other information appearing in the company's files as said agencies may require. The company shall use a method and format prescribed by the division of medical assistance and the department of transitional assistance but if the company is unable to use a method and format prescribed by said agencies, such company shall cooperate with said agencies to identify another method or format, including submission of written materials. If the company elects to examine information made available by the division of medical assistance and/or the department of transitional assistance concerning individuals who have received public assistance benefits and may be subject to a lien to secure repayment, the company shall notify the division of medical assistance and the department of transitional assistance, not less than ten business days prior to making payment to a claimant who has received public assistance benefits and may be subject to a lien to secure repayment, of the claimant's name, address, date of birth and social security number as appearing in the company's files and such other information appearing in the company's files as said agencies may require. A company shall not share information with the agencies if doing so would require the companies to violate the claimant's right to privacy under state or federal law.

For the purpose of this section, the word "claimant" shall mean an individual who brings a claim against an insured party under a liability insurance policy issued in the Commonwealth or under the liability coverage portion of a multiperil policy issued in the Commonwealth. For the purposes of this section, the term "non-recurring payment" does not include fines paid by companies to claimants pursuant to subsection (f).

(b) An individual making, a claim governed by this section shall provide his current address, date of birth and social security number to the insurance company, upon the request of the company. Such company may inform the claimant that such request is being made in accordance with this section for the purpose of assisting the division of medical assistance and the department of transitional assistance in the recovery of public assistance benefits. Any such individual who refuses to provide the information required by this section shall not receive payment on the claim, and the company that declines payment on this basis shall be exempt from suit and immune from liability under this chapter or any other chapter or in any common law action in law or equity.

(b.5) A company shall not be required under subsection (a) to exchange information with the division of medical assistance and the department of transitional assistance regarding payments to a third party where there is documentation showing that the third party has provided or agreed to provide the claimant with a benefit or service related to the claim including, but not limited to, the services of an attorney or a physician or payments for damage to or loss of real or personal property. Nothing herein shall subordinate the rights of the division of medical assistance under section 22 of chapter 118E and the department of transitional assistance under section 5G of chapter 18 to other third parties.

(c) Pursuant to regulations issued by the secretary of the executive office of health and human services in consultation with the commissioner of insurance, a company that knowingly fails to accurately exchange information regarding a claim to which this section applies shall be subject to a penalty assessed by the division of medical assistance and the department of transitional assistance. A company that fails or refuses to surrender property subject to a lien to the agency shall be liable in the same manner as provided in paragraph (7) of subsection (b) of section 6 of said chapter 119A. A company that makes a payment to the division of medical assistance or the department of transitional assistance pursuant to this section and an insured individual on whose behalf the company makes a payment shall be immune from any obligation or liability to the claimant or other interested party arising from the payment, notwithstanding the provisions of this chapter or any other law.

(d) The division of medical assistance, the department of transitional assistance and the Title IV–D agency shall use their best efforts to make mutually satisfactory arrangements so companies have a single point of entry for accessing and transmitting information electronically pursuant to this section and section 24D. The division of medical assistance and the department of transitional assistance shall provide the Title IV–D agency with access to information regarding individuals receiving assistance under their programs for that purpose and so that a company can be informed if the claimant or the claimant's heirs or legal representative may owe monies to the division or the department.

(e) Information provided by the division of medical assistance and the department of transitional assistance to a company under this section may only be used for the purpose of assisting the division or the department in collecting public assistance benefits. Any individual or company who uses such information for any other purpose shall be liable in a civil action to both the division or department and the claimant in the amount of \$1,000 each, for each violation.

(f) In the event of a state of emergency declared by the governor or the president of the United States, the commissioner of insurance may temporarily suspend the application of this section to claims made due to the conditions resulting in such state of emergency.