HOUSE DOCKET, NO. 2848 FILED ON: 1/19/2023

HOUSE . . . . . No. 949

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

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 adoption of the accompanying bill:

An Act relative to homeowners' insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Antonio F. D. Cabral	*13th Bristol*	*1/19/2023*
Christopher Hendricks	*11th Bristol*	*1/26/2023*
Brian W. Murray	*10th Worcester*	*1/29/2023*
Paul A. Schmid III	*8th Bristol*	*2/1/2023*
Vanna Howard	*17th Middlesex*	*2/1/2023*

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HOUSE . . . . . No. 949

By Representative Cabral of New Bedford, a petition (accompanied by bill, House, No. 949) of Antonio F. D. Cabral and others relative to homeowners' insurance. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act relative to homeowners' insurance.

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. Chapter 175 of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by:

(a) inserting after section 99C the following section:

Section 99D. Insurers filing rates for approval by the commissioner shall submit to the office of the attorney general all hurricane models, model software, methods, principles, standards, data, inputs, manuals, validation studies, and output ranges relevant to the insurer's hurricane loss projection model or methodology that is intended to be used during a rate proceeding on an insurer's rate filing in advance of the rate proceeding. All models, model software, methods, principles, standards, data, inputs, manuals, validation studies, and output ranges shall be submitted to the office of the attorney general for review no later than 90 days prior to being admitted as evidence during a rate proceeding before the commissioner of insurance. If any insurer fails to submit any item or items required by the office of the attorney

13 general pursuant to this subsection, the commissioner shall direct the insurer to remove the
14 hurricane loss projection from its filing. A trade secret used in designing and constructing a
15 hurricane loss model or methodology, provided by an insurer to the center under this subsection,
16 is confidential and shall not be deemed a public record, as defined in clause 26 of section 7 of
17 chapter 4. The office of the attorney general shall maintain custody of any records made
18 confidential by this paragraph using a secure location or website. That portion of a rate
19 proceeding on an insurer's rate filing at which a trade secret is discussed shall be deemed
20 confidential and not open to disclosure under the open meetings law, but may be discussed at a
21 closed meeting as provided for in section 21 of chapter 30A. Employees, volunteers, and
22 consultants of the office of the attorney general will be bound not to disclose information made
23 confidential.; and

24 (b) inserting after section 99D the following section:

25 Section 99E. Any company that has offered an applicant a policy of homeowners multi-
26 peril insurance, pursuant to section 99B of this chapter or otherwise, shall modify the said offer,
27 if requested to do so by the applicant, to reduce the amount of coverage offered upon a showing
28 by the applicant that the amount of coverage originally offered exceeds by more than 10 percent
29 the greater of either the municipally assessed value of the subject property or its market value, as
30 determined by an appraiser licensed pursuant to section 174 of chapter 112. The applicant may
31 request and, if so requested, the offering company must offer a policy containing any coverage
32 amount not lower than the municipally assessed value plus ten percent of such assessed value.
33 Applicants may appeal a failure to comply with this subsection to the office of the attorney
34 general.

35 SECTION 2. Section 4 of chapter 175C, as so appearing, is hereby amended by striking
36 out subsection (f) and inserting in place thereof the following section:

37 (f) The association shall be governed by a board of 18 directors, who shall serve without
38 compensation: 10 directors shall be elected annually by the members of the association by
39 cumulative voting; 2 directors of associations of insurance agents and brokers doing business in
40 the commonwealth appointed by the commissioner; 4 directors from the general public appointed
41 by the commissioner; and 2 directors from the general public appointed by the attorney general.
42 The 6 directors appointed from the general public by the commissioner of insurance and the
43 attorney general shall serve 3-year terms, staggered in a manner to ensure the annual expiration
44 of the terms of 2 directors, and shall not serve as director for more than 3 consecutive terms. The
45 6 directors appointed from the general public may not have affiliations with the insurance
46 industry and at least 2 shall have a primary residence in Bristol, Plymouth, Barnstable, Dukes, or
47 Nantucket counties. Cumulative voting by members shall be permitted at all such elections.”.

48 SECTION 3. Subsection (c) of section 5 of said chapter 175C, as so appearing, is
49 hereby further amended by striking out, in lines 108-113, the third sentence.

50 SECTION 4. Chapter 175C of the General Laws, as so appearing, is hereby further
51 amended by inserting after section 9, the following section:

52 Section 10. The association shall offer all eligible applicants a premium installment
53 payment option consisting of 10 payments.

54 SECTION 5. Chapter 175A of the General Laws, as so appearing, is hereby amended by
55 inserting after section 20, the following section:

56 Section 21. Homeowners Insurance Cost Formula. Insurers offering homeowners
57 insurance shall submit the methods, models, and formulas used to determine homeowners'
58 insurance rates for approval to the division, with a copy to the office of the attorney general, at
59 least annually.