

HOUSE No. 865

The Commonwealth of Massachusetts

PRESENTED BY:

James M. Cantwell

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 an investigation to review flood insurance rates.

PETITION OF:

NAME:

James M. Cantwell

DISTRICT/ADDRESS:

4th Plymouth

HOUSE No. 865

By Mr. Cantwell of Marshfield, a petition (accompanied by bill, House, No. 865) of James M. Cantwell relative to an investigation by the Commissioner of Insurance concerning flood insurance rates. Financial Services.

The Commonwealth of Massachusetts

—————
In the Year Two Thousand Thirteen
—————

An Act relative to an investigation to review flood insurance rates.

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

1 Chapter 175A of the General Laws, as appearing in the 2010 Official Edition, is hereby
2 amended by adding the following section after Section 5: –

3

4 Section 5 ½. The commissioner shall conduct an investigation every two years to
5 determine how flood insurance rates are set by the National Flood Insurance program and to
6 make suggestions for changes to ensure the rates are not excessive. The commission shall use the
7 findings of the investigation to measure the reasonableness of the flood insurance rates and make
8 suggestions for action by Congress and FEMA.

9

10 The findings of the investigation will allow the commissioner to highlight discrepancies
11 in rates as to avoid excessive surcharges that may be applied by insurance companies that (i) are
12 authorized to transact business under the first clause of section forty-seven of chapter 175 and
13 (ii) have notified the commissioner of its participation in the flood insurance program established
14 under the National Flood Insurance Act of 1968 after natural disasters including, but not limited
15 to, tornados, hail, hurricanes, and snow storms occur in the Commonwealth.

16

17 The purpose of the bi-annual study would be to ensure that customers of the insurance
18 companies specified in section forty-seven of chapter 175 are not inappropriately spiking prices

19 due to natural disasters nationally and that the “high-risk” and “moderate-to-low risk” area
20 designations are properly made in accordance with current FEMA standards.