

Joint Committee on Financial Services
The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1217

Title: An Act relative to modernizing private flood insurance

Sponsor: Rep. Patrick Joseph Kearney

Hearing Date: May 13, 2025

Reporting Date: July 12, 2025

Similar Matters: H1087, S719

Prior History:

H1133 (2021-2022) Favorable, HWM

H1064 (2023-2024); Study

Current Law:

Bill would amend the General Laws by creating Chapter 183 in Title XXII of code of Massachusetts Law.

Summary:

Adds Chapter 183 to Title XXII of code of Massachusetts Law to enact the Massachusetts Private Flood Insurance Act so as to advance different **flood insurance coverages** to benefit consumers, communities, and the insurance market by **offering options, protecting consumers, and ensuring more resilient communities.**

Standard flood insurance- covers only losses from the peril of flood equivalent to what is covered by the National Flood Insurance Program (NFIP)

Non-standard flood insurance- which may but not required to supplement NFIP.

Flood insurance deductibles and policy limits must be prominently noted and must clearly indicate that it is not a policy from the NFIP.

Details how rate is determined: actuarial data, methodologies, and standards and guidelines relating to flood insurance that produce rates that are not excessive, inadequate, or unfairly discriminatory. A rating or advisory organization can also supplement the rate for the insurers. Insurance companies must be clear and transparent in how it calculates its policies.

Every insurer submits rates/forms and any changes to rates/forms to the Commissioner of Insurance. Commissioner may at any time look into the form and they may at any time disapprove of the form. Within 60 days of notice, the insurer must show that they were in compliance. Insurer has right to appeal.

Section 7

A broker can immediately sell flood insurance without checking if a regular home insurance has it.

Any current home insurance company must notify the Commission in 30 days if want to offer flood insurance. They must follow the laws of chapter 174+175. If they want to exit the flood insurance market, then must notify Commissioner 45 days prior to departure.

Broker provides a written notice to customer that if discontinue NFIP flood insurance coverage than customer to go with private one, then may have to pay full rate if try to reinstate into program if live in a special flood hazard area.

Laws of Chapter 183 would take precedence other applicable state law.

Any current home insurance company may certify its flood policy as equivalent to NFIP if they are in compliance with 42 U.S.C. Section 4012a(b). Insurance companies can advertise this designation if qualified. If misrepresents flood policy, then subject to unfair business practices laws.

Insurer must provide 45 days of notice to homeowner and the bank/credit union/financial institution that provided loan if cancelling policy.

Notice includes:

- Start date of 45 days
- State the homeowner's right to request a review by the division of insurance
- Also filed to the Commissioner

An insurer can cancel or refuse to renew for anything except for covered reasons (standard discrimination classes- sex, race, age, etc).

Can limit flood coverage to people of certain occupations or religious sects.

Can limit flood coverage due to exposure to flood.

If renew policy, the insurer shall include terms of renewal and estimated premium for renewal. If policy being renewed is for less than a year, then must provide 45 days prior to expiration. If policy longer than a year, then must provide notice forty five days prior to the anniversary date of the original policy.

Insurer would satisfy renewal obligations if send notice by mail or electronically to the insured or to the broker. If insurer fails to do this, then insured can cancel policy within 45 days following receipt of renewal notice.

Division of Insurance must post requirements to adhere to new law.

Commissioner annually reports number of private flood insurance policies in MA.