

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

Bill No: H1105

Title: An Act relating to modernizing business to business commercial insurance transactions

Sponsor: Daniel Cahill

Hearing Date: May 13, 2025

Reporting Date: July 12, 2025

Similar Matters: N/A

Prior History:

H1050 (2021-2022); Favorable, HWM

H960 (2023-2024) Favorable, HWM

Current Law:

§ 224 (a) of M.G.L. c.175 outlines the definition of what constitutes a “large commercial policy holder” which includes, among other pieces of criteria, aggregate property and casualty insurance premiums of \$30,000 (excluding workers’ compensation). Policy holders with this designation are free to purchase certain insurance policies that are not subject to the typical form, rate and filing requirements.

Most insurance policies issued in the commonwealth come from what’s known as the “standard” or “admitted” insurance market place. Admitted insurance carriers are subject to form and rate filing requirements with the division of insurance on an annual basis. Admitted insurance carriers must also contribute to the state regulated guarantee fund that covers insurance companies and their policyholders in the event they become insolvent.

There are other types of insurance companies that operate in the commonwealth known as “non-admitted” or “surplus lines” insurance companies. This market developed to aid businesses that needed but were not able to purchase insurance from admitted carriers either due to the nature or size of the risk. Non-admitted insurers are not required to file their rates or forms with the division and thus have more flexibility in addressing complex and unique risks. Non-admitted insurers are not backed by the state guarantee fund.

Summary:

The bill exempts special commercial insurance lines from rate and form filings as a means to promote enhanced competition in this policy segment.

Specialty Commercial Lines include property or casualty insurance coverage for:

- Aircraft liability and hull insurance;
- Surety and fidelity;
- Commercial inland marine;
- Ocean marine;
- Boiler and machinery;
- Environmental impairment/pollution liability;
- Kidnap and ransom;
- Political risk or expropriation;
- Excess and umbrella liability;
- Directors' and officers' liability;
- Fiduciary liability;
- Employment practices liability;
- Errors and omission and professional liability (other than medical malpractice);
- Media liability;
- Commercial lines travel risks, including accidental death and dismemberment;
- Product liability, product recall and completed operations;
- Cybersecurity, including commercial lines coverage for losses arising out of or relating to data privacy breaches, network security, computer viruses and similar exposures;
- Highly protected commercial property;
- Commercial flood insurance (other than National Flood Insurance Program);

Exemptions would not apply to motor vehicle, workers compensation or medical malpractice insurance.

Reduces the threshold by which a commercial policy holder is determined, from premiums of \$30,000 to \$25,000