

Massachusetts: Comprehensive Property Legislation on the Move This Week

by NAMIC

After months of dormancy, comprehensive legislation aimed at addressing conditions in the state's coastal property insurance market started to move through the legislative process this week.

Yesterday, the Senate Ways and Means Committee approved a new draft of comprehensive legislation and a summary. The bill, S-2778, which is expected to be taken up by the full Senate as soon as today, is similar in many respects to the version drafted and approved by the Joint Committee on Financial Services. However, it differs in that it would limit hurricane deductibles to 3 percent rather than 5 percent of the insured value, and it contains a mechanism through which FAIR Plan premiums could be returned to policyholders under certain circumstances following three years of no losses from hurricanes.

Though one prominent senator has been a vocal proponent for establishing a state catastrophic event fund, the bill approved by committee does not include such a provision.

NAMIC has been engaged in the public policy response to coastal market conditions in the state. Among other things, NAMIC provided testimony to the Financial Services Committee in February regarding several legislative proposals and recommendations that had been issued by a special commission. NAMIC will review the newest draft and work with its state trade partner, the Massachusetts Insurance Federation, throughout the rest of the legislative session, which concludes this month.

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