

By Mr. Brett of Boston, petition of James T. Brett, W. Paul White and John H. Rogers for legislation to require insurance companies to file certain coverage disclosure data with the Commissioner of Insurance. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Five.

AN ACT RELATIVE TO INSURANCE COVERAGE DISCLOSURE.

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

1 SECTION 1. Chapter 175 of the General Laws, as appearing in
2 the 1992 Official Edition, is hereby amended by inserting after
3 Section 4, the following new section: —

4 Section 4A. Insurance companies licensed by the State of
5 Massachusetts shall file annually with the Commissioner of
6 Insurance a Disclosure Report which discloses by county and
7 census tract, or by county in rural areas without census tracts, the
8 following information: the number of policies sold and dollar
9 amounts of premiums collected in the Commonwealth for each
10 line of insurance during the previous year; the number of claims
11 and the dollar amount of claims paid for each line of insurance;
12 the number and dollar amount of policies for each line of insur-
13 ance which the insurer received a completed application; the
14 number and dollar amount of policies for each line of insurance
15 for which the insurer received an application and which were not
16 issued; the number and dollar amount for each line of insurance
17 which were renewed and which were not renewed; and the
18 number and dollar amount for each line of insurance which were
19 cancelled by the insurer. Each company will disclose the number
20 of agents of such insurer whose principal place of business is
21 located in each census tract or county; whether each agent is an
22 employee, independent contractor working exclusively for such
23 insurer, or an independent contractor working on a nonexclusive

24 basis; and the number of agents of such insurer whose principal
25 place of business was located in each census tract or county but
26 was relocated outside that area or whose agency was terminated.

27 With respect to insurance and applications for which informa-
28 tion is required to be maintained and made available under the
29 previous section, the following information shall be maintained
30 and made available for each policy and each completed applica-
31 tion: the census tract or county for which such insurance is issued
32 or requested, the insurer who issued such insurance or to whom
33 the application was made; the date of issuance of such insurance;
34 the line, subline, or class of such insurance; the amount of cov-
35 erage provided under such insurance and any applicable
36 deductible; the amount of premiums for such insurance; the dura-
37 tions of such insurance; the gender and racial characteristics of the
38 applicants for such insurance; and whether such insurance was
39 issued in a voluntary or residual market. Each company will dis-
40 close the date of and specific reasons for denying an application
41 for insurance or for canceling or not renewing a policy in force.
42 For claims made with respect to property insurance, each com-
43 pany will disclose for each line of insurance in a census tract or
44 county the market value of the property insured and type and use
45 of the property insured, which types and uses shall include: prop-
46 erties consisting of one to four dwelling units; properties con-
47 sisting of more than four dwelling units; owner-occupied
48 properties; rental properties; and vacant properties. Each company
49 will disclose the standards and criteria used in underwriting each
50 line of insurance.

51 This data must be disclosed for each calendar year and shall be
52 publicly available at the insurance company by March 31 of each
53 year. Copies of this information must be provided upon request.
54 A reasonable fee may be charged for the cost of copying.

55 One copy of the Disclosure Report shall be filed with the
56 Division of Insurance by March 31 of each year. The Division of
57 Insurance will maintain organized files of the disclosure informa-
58 tion available to the public in its main office. The Division of
59 Insurance shall make the information available to the public for
60 review and copying at their office during normal business hours.

1 SECTION 2. Chapter 175, as so appearing, is further amended
2 by adding the following section: —

3 Section 4B. In fixing and establishing premium charges, every
4 insurance company selling property and casualty insurance in the
5 Commonwealth, including the Massachusetts Property Insurance
6 Underwriting Association, is required to provide appropriate per-
7 centage reductions for policies written to those homeowners who
8 meet one or more of the following criteria or other criteria as
9 defined by the Commissioner of Insurance which designate home-
10 owners as a lower risk: nonsmoking; living in homes protected by
11 security systems; participating in neighborhood crime watches;
12 participating in neighborhood or homeowner safety programs; or
13 participating in home maintenance programs. The Commissioner
14 of Insurance shall develop regulations setting the appropriate
15 percentage reductions in premium charges for qualified home-
16 owners based on the number of criteria met, anticipated loss
17 recovery, and consistent with safe and sound practices of the
18 industry.

1 SECTION 3. Chapter 175, as so appearing, is further amended
2 by adding the following section: —

3 Section 4C. Foreign insurers, as a requirement for conducting
4 business in the Commonwealth of Massachusetts, must apply with
5 the Commissioner to obtain a license to serve as a direct insurer or
6 reinsurer. The application will include financial statements, value
7 of assets and liabilities, and capital reserves. This information will
8 be examined by the Commissioner to determine whether such
9 insurers are operating within an acceptable level of safety and
10 soundness and with adequate capitalization. An applicant found to
11 meet minimum standards of financial responsibility, integrity, and
12 general fitness, established by the Commissioner, will be granted
13 a license to operate as an insurer in the Commonwealth. An appli-
14 cant denied a license to operate may appeal the decision within
15 thirty days to superior court. Certified foreign insurers will be
16 required for each calendar year, to disclose, by county and census
17 tract, information about the type, number, and dollar amount of
18 insurance policies sold in the Commonwealth.

1. The first part of the report deals with the general situation in the country during the year 1950. It is a very interesting and detailed account of the economic and social conditions of the country at that time. The author has done a great deal of research and has gathered a wealth of material which is presented in a clear and concise manner.

2. The second part of the report is devoted to a study of the agricultural sector. It discusses the various factors which influence agricultural production, such as the weather, the quality of the soil, and the amount of labor available. The author also examines the different types of crops which are grown in the country and the methods which are used to cultivate them.

3. The third part of the report is a study of the industrial sector. It discusses the various industries which are active in the country and the methods which are used to produce goods. The author also examines the different types of machinery and equipment which are used in the industrial sector.

4. The fourth part of the report is a study of the transportation sector. It discusses the various modes of transport which are available in the country and the methods which are used to move goods and people. The author also examines the different types of vehicles and the infrastructure which is needed to support them.

5. The fifth part of the report is a study of the social sector. It discusses the various social problems which are facing the country and the methods which are being used to solve them. The author also examines the different types of social services which are available in the country.

6. The sixth part of the report is a study of the government sector. It discusses the various policies and programs which are being implemented by the government and the methods which are being used to evaluate their effectiveness. The author also examines the different types of government agencies and the methods which are being used to coordinate their activities.

7. The seventh part of the report is a study of the foreign relations of the country. It discusses the various international agreements and treaties which the country has entered into and the methods which are being used to negotiate them. The author also examines the different types of international organizations and the methods which are being used to coordinate their activities.

8. The eighth part of the report is a study of the future of the country. It discusses the various challenges which the country is facing and the methods which are being used to address them. The author also examines the different types of development programs which are being implemented in the country.

9. The ninth part of the report is a study of the culture of the country. It discusses the various cultural traditions and customs which are being practiced in the country and the methods which are being used to preserve them. The author also examines the different types of cultural institutions and the methods which are being used to support them.

10. The tenth part of the report is a study of the environment of the country. It discusses the various natural resources which are available in the country and the methods which are being used to manage them. The author also examines the different types of environmental problems which are facing the country and the methods which are being used to solve them.