

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Ronald Mariano

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 passage of the accompanying bill:

An Act relative to homeowners insurance .

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Ronald Mariano	3rd Norfolk

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO HOMEOWNERS INSURANCE .

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 the 2006 Official Edition, is
2 hereby amended by inserting after section 4C the following section:-

3 Section 4D. The commissioner shall adopt regulations to require all insurers licensed to
4 write and engaged in the writing of homeowners insurance in the commonwealth and the joint
5 underwriting association, established in chapter 175C, to produce a standard outline of coverage
6 written in language prescribed or approved by the commissioner that describe the features of the
7 coverage. Each insurer, including the joint underwriting association, shall be required to provide
8 this information to each policyholder upon the issuance or renewal of a policy.

9 SECTION 2. Said chapter 175, as so appearing, is hereby amended by inserting after section
10 99C the following 2 sections: -

11 Section 99D. (a) In all instances where an insurance company licensed to write property
12 insurance in the commonwealth offers or includes any deductible for wind related damages and
13 mitigation measures related to such deductible, the insurance company shall provide prominent
14 and clear notice to the insured that shall be included with the policy issuance or renewal package,

15 and shall fully disclose all details pertaining to any such deductible and mitigation measure in a
16 format approved by the commissioner of insurance.

17 (b) An insurer may only apply a deductible for wind related damages in personal lines of
18 insurance, where:

19 (1) the deductible is specifically approved by the commissioner and shall not exceed 3
20 per cent of the policy's coverage A amount; nothing herein shall prohibit the policyholder from
21 electing a higher deductible, not to exceed 5 per cent of the policy's coverage A amount, by
22 affirmative signature.

23 (2) the deductible shall be applicable to losses due to a named hurricane with wind
24 velocities exceeding 74 miles per hour, commencing with the issuance of a hurricane warning or
25 hurricane wind speed warning ,in the geographical area of the commonwealth where the damage
26 occurs, by the local National Weather Service office and concluding 12 hours after the storm has
27 been downgraded from a hurricane status by said office;

28 (3) the deductible, whether a flat dollar amount or a percentage of insured value, shall be
29 presented in at least 2 examples that illustrate the application of the deductible to the insured.
30 Nothing herein shall prohibit the insurer from providing any additional information to the
31 insured to assist in the insured's understanding of the deductible to be applied to the insured's
32 policy.

33 (c) The commissioner, in consultation with the board of building and regulations and
34 standards, shall investigate mitigation measures designed to reduce losses from wind related
35 damages. Based so far as reasonably feasible on national standards for such measures and
36 practices in other comparable states, the commissioner shall adopt regulations describing
37 approved mitigation measures and the minimum corresponding benefits, such as credits, lower

38 deductibles, and reduced premiums that policyholders will receive from insurers upon
39 completion of said measures and either, at the insurers discretion, inspection of the property by
40 the insurer or submission of satisfactory proof of installation of the approved mitigation
41 measures by the insured.

42 (d) The commissioner shall adopt regulations to implement this section.

43 Section 99E. (a) For the purposes of examining and investigating hurricane loss
44 methodology in an effort to ensure the most actuarially sophisticated guidelines and standards for
45 projection of hurricane losses possible, there shall be a Center for Hurricane Research,
46 hereinafter referred to as the center, at the University of Massachusetts Lowell. The center shall
47 employ such actuarial, expert, professional, clerical, or other assistants as the work of the center
48 may require. For the purpose of carrying out its duties as set forth in this section the center may
49 expend such funds as may be appropriated to the University of Massachusetts at Lowell.

50 (b) The center shall develop criteria for hurricane loss projection models and
51 methodologies that are specific to Massachusetts and may from time to time adopt revisions to
52 these criteria. In establishing the criteria, the center shall consider any models, model software,
53 methods, principles, standards, data, inputs, manuals, validation studies and output ranges that
54 have the potential for improving the accuracy of or reliability of the hurricane loss projections
55 used in homeowners insurance rate filings. The criteria developed under this subsection shall be
56 based on, but not limited to, actual data on Massachusetts construction practices, codes,
57 buildings, weather patterns, water temperatures and historic hurricane and storm data including
58 the frequency of such storms relevant to Massachusetts. Criteria developed by the center for this
59 purpose shall be a public record.

60 c) Any person or entity that has developed a hurricane model and wishes such a model to
61 be used to determine rates for homeowner's insurance in the commonwealth shall submit to the
62 center, in advance of any proceeding before the commissioner in which such model is used, all
63 hurricane models, model software, methods, principles, and standards,

64 The center shall consider any actuarial models, model software, methods, principles, standards,
65 or output ranges that have the potential for improving the accuracy of or reliability of the
66 hurricane loss projections used in residential property insurance rate filings. In its analysis, the
67 center shall consider all relevant variables, including those data specific to construction practices,
68 building codes, existing housing stock, weather patterns, water temperatures, and historic
69 hurricane and storm data in the commonwealth. The center shall, from time to time, adopt
70 findings as to the accuracy or reliability of particular models, methods, principles, standards, or
71 output ranges. The center shall have discretion to rely on the review conducted by similar
72 centers or regulatory bodies and to focus on those aspects of hurricane loss projection
73 methodologies that are specific to the commonwealth. Hurricane models that are approved by
74 the center for use in residential property insurance rate filings in the commonwealth shall be
75 deemed to be reasonable by the commissioner of insurance and to meet the requirements of
76 chapter 174A of the general laws in any residential property insurance rate filings, including any
77 filings made by the association created under chapter 175C of the general laws and any
78 proceedings conducted thereon.

79 If any insurer submits a rate filing request to the commissioner that relies on a hurricane
80 model or model data that has not been submitted to the center or that such modeling person or
81 entity refuses to submit to the center, the commissioner shall disregard any part of such rate
82 filing that relates to or relies on such model.

83 The center shall adopt revisions to previously adopted actuarial methods, principles,
84 standards, models, or output ranges from time to time.

85 (d) The center shall submit to the commissioner its findings on any hurricane model
86 reviewed within thirty days of making such findings. Such findings shall assess the degree to
87 which the model complies with the criteria developed in subsection b above.

88 The Commissioner shall schedule a hearing on said findings. At such hearing the
89 commissioner shall consider all evidence relevant to the findings of the center and shall make a
90 determination as to the appropriateness of said model for use in the Massachusetts market,
91 provided however that trade secrets outlined in subsection e below, shall remain confidential and
92 shall not be deemed a public record.

93 If the commissioner approves the findings of the center after said hearing, such model
94 shall be deemed to be reasonable by the commissioner of insurance and to meet the requirements
95 of chapter 174A of the general laws in any residential property insurance rate filings, including
96 any filings made by the association created under chapter 175C of the general laws and any
97 proceedings conducted thereon. Models accepted by the commissioner may be used at any rate
98 hearing within one year of the commissioner's approval.

99 (e) A trade secret used in designing and constructing a hurricane loss model, provided by
100 a person to the center, is confidential and shall not be deemed a public record, as defined in
101 section 7 of chapter 4 of the Massachusetts general laws. The center shall maintain custody of
102 any records made confidential by this paragraph using a secure location or website. Employees,
103 students, staff, agents and consultants hired by the center shall be bound to maintain the
104 confidentiality of the trade secrets of the model and the hurricane modelers. That portion of a
105 rate proceeding on an insurer's rate filing at which a trade secret made confidential and exempt

106 by this paragraph is discussed shall be deemed confidential and not open to disclosure pursuant
107 to the open meetings act, but may be discussed at a closed meeting as provided for in section
108 11A1/2 of chapter 30A of the Massachusetts general laws.

109 (f) The center may collaborate with centers or organizations established for a similar
110 purpose in other states for the furtherance of the goals of this section.

111 SECTION 3. Section 168 of chapter 175 of the general laws, as so appearing, is hereby amended
112 by inserting after the sixth sentence, in line 37, the following two sentences - "Any insurance
113 policy procured pursuant to this section shall contain the following disclosure notice to the
114 policyholder: This policy is insured by a company which is not admitted to transact insurance in
115 the commonwealth, is not supervised by the commissioner of insurance, and, in the event of an
116 insolvency of such company, a loss shall not be paid by the Massachusetts Insurers Insolvency
117 Fund under chapter 175D. The commissioner may by regulation amend the foregoing disclosure
118 notice."; and further by striking in the eighth sentence, in line 61, the word "or"; and further by
119 inserting in line 65, after the word "20A", the following text - ", or (c) such company is an
120 eligible alien unauthorized insurer, as defined in section 168A of this chapter".

121 SECTION 4. Chapter 175 of the general laws, as so appearing, is hereby amended by inserting
122 after section 168 the following new section:-

123 Section 168A. (a) As used in this section "eligible alien unauthorized insurer" means a
124 company formed under the laws of any government or state other than the United States or one
125 of its states or its territories that has filed an application with the commissioner pursuant to
126 subsection (c)(4) of this section, which application has been approved by the commissioner.

127 (b) Notwithstanding any general or specific law to the contrary, a special broker licensed
128 by the commissioner pursuant to section 168 of this chapter may procure insurance from any

129 company formed under the laws of any government or state other than the United States or one
130 of its states or its territories that is not authorized to transact business in this commonwealth if:

131 (1) such company has been determined by the commissioner to be an eligible alien
132 unauthorized insurer pursuant to subsection (c)(4) of this section;

133 (2) the special broker has executed and filed an affidavit with the commissioner within
134 twenty days after procuring such insurance stating that the full amount or type of insurance
135 cannot be obtained from among companies admitted to transact insurance in the commonwealth
136 after a diligent effort has been made to do so and that the amount of insurance procured in such
137 company is only the excess over the amount so procurable from admitted companies;

138 (3) the procured policy contains the disclosure notice required by section 168 of this
139 chapter; and

140 (4) all other requirements of this section and of section 168 of this chapter that are not
141 inconsistent with this section have been met.

142 Insurance procured under this section shall be valid and enforceable as to all parties.

143 Nothing in this section shall be deemed to amend or modify any of the provisions of, or
144 any of the exemptions specified in, section 168 of this chapter that are not inconsistent with this
145 section.

146 (c) No company shall be determined to be an eligible alien unauthorized insurer unless it:

147 (1) has provided satisfactory evidence to the commissioner of its good repute and
148 financial integrity;

149 (2) has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction
150 in an amount of at least \$20,000,000;

151 (3) has in force a United States trust fund of not less than the greater of:

152 (i) \$5,400,000; or

153 (ii) A percentage of its United States surplus lines gross liabilities arising from business
154 written on or after January 1, 1998, excluding aviation, wet marine, transportation insurance and
155 direct procurement placements, said percentage to equal the percentage, and be subject to any
156 cap, employed by the International Insurance Department of the National Association of
157 Insurance Commissioners, as of December 31 next preceding the date of determination, where:

158 (I) The liabilities are maintained in an irrevocable trust account in the United States in a
159 qualified financial institution, on behalf of United States policyholders consisting of cash,
160 securities, letters of credit or other investments of substantially the same character and quality as
161 those which are eligible investments pursuant to this chapter for the capital and statutory reserves
162 of admitted insurers to write like kinds of insurance in the commonwealth. The trust fund, which
163 shall be included in any calculation of capital and surplus or its equivalent, shall satisfy the
164 requirements of the Standard Form Trust Agreement required for listing with the International
165 Insurers Department of the National Association of Insurance Commissioners;

166 (II) The company may request approval from the commissioner to use the trust fund to
167 pay valid surplus lines claims; provided, however, that the balance of the trust fund is never less
168 than the minimum amount required by this subsection;

169 (III) In calculating the trust fund amount required by this subsection, credit shall be given
170 for surplus lines deposits separately required and maintained for a particular state or territory of
171 the United States, not to exceed the amount of the company's loss and loss adjustment reserves in
172 that particular state or territory; and

173 (4) has submitted to the commissioner an application evidencing the company's
174 compliance with the requirements of this section that has been approved by the commissioner.

175 (d) The application required by subsection (c)(4) of this section shall be on forms issued
176 or approved by the commissioner, and must include the following information regarding the
177 alien unauthorized insurer applicant:

178 (1) Evidence that the unauthorized alien insurer has been listed by the International
179 Insurers Department of the National Association of Insurance Commissioners;

180 (2) A certified audited financial statement of the alien unauthorized insurer reflecting
181 information as of a date no more that twelve (12) months prior to the submission of the
182 application evidencing compliance with the capital and surplus requirements of subsection (c)(2)
183 of this section and an actuarial opinion as to the adequacy of, and methodology used to
184 determine, the insurer's loss reserves;

185 (3) A copy, certified by the trustee, of the United States trust agreement required by
186 subsection (c)(3) of this section prepared in accordance with the National Association of
187 Insurance Commissioner's Standard Form Trust Agreement for Alien Excess or Surplus Lines
188 Insurers;

189 (4) A copy, certified by the trustee, of the most recent quarterly statement of account or
190 list of assets in the trust account required by subsection (c)(3) of this section evidencing that the
191 alien unauthorized insurer has in force, as of the end of the most recent quarter, assets in the
192 amounts required by subsection (c)(3) of this section;

193 (5) A certified copy of the alien unauthorized insurer's current license or certificate of
194 authority issued by its domiciliary jurisdiction indicating such company is authorized to insure
195 the types of risks in its domiciliary jurisdiction that it proposes to insure in the commonwealth;

196 (6) A Certificate of Good Standing, or substantially similar documentation, issued by the
197 alien unauthorized insurer's jurisdiction of domicile;

198 (7) Biographical affidavits, on forms promulgated by the National Association of
199 Insurance Commissioners or approved by the commissioner, for all executive officers, directors,
200 and senior management personnel of the alien unauthorized insurer, prepared no more than
201 twelve (12) months prior to the submission date of the application required by subsection (c)(4)
202 of this section; and

203 (8) Such additional information as the commissioner may require in order to determine
204 whether the alien unauthorized insurer complies with the requirements of this section.

205 (e) The commissioner may refuse to approve an application pursuant to this section if he
206 is of the opinion that such refusal will be in the public interest. In reviewing an application the
207 Commissioner may consider such factors as:

208 (1) The length of time the insurer has been authorized in its domiciliary jurisdiction and
209 elsewhere;

210 (2) The unavailability of the particular coverages from authorized insurers or
211 unauthorized insurers meeting the requirements of this section and section 168 of this chapter;

212 (3) The size of the company as measured by its assets, capital and surplus, reserves,
213 premium writings, insurance in force or other appropriate criteria;

214 (4) The kinds of business the company writes, its net exposure and the extent to which
215 the company's business is diversified among several lines of insurance and geographic locations;
216 and

217 (5) The past and projected trend in the size of the company's capital and surplus
218 considering such factors as premium growth, operating history, loss and expense ratios, or other
219 appropriate criteria

220 (f) The commissioner may revoke a company's status as an eligible alien unauthorized
221 insurer in accordance with the terms and conditions of section 5 of this chapter if at any time the
222 commissioner has determined that the insurer:

223 (1) Is in unsound financial condition or has acted in an untrustworthy manner;

224 (2) No longer meets the standards set forth in subsection (c) of this section;

225 (3) Has willfully violated the laws of the commonwealth; or

226 (4) Does not conduct a proper claims practice.

227 SECTION 5. Clause (1) of subsection (A) of section 177O of said chapter 175, as so appearing,
228 is hereby amended by striking out, in line 7, the word “producer” and inserting in place there of
229 the words “reinsurance intermediary broker”

230 SECTION 6. Clause (1) of subsection D of said section 177O of said chapter 175, as so
231 appearing, is hereby amended by striking out the second sentence.

232 SECTION 7. Chapter 175C of the General Laws, as so appearing, is hereby amended by striking
233 out section 4 and inserting in place thereof the following section:-

234 Section 4. (a) All insurers licensed to write and engaged in writing in this commonwealth,
235 on a direct basis, basic property insurance or any component thereof in multi-peril policies, shall
236 cooperate in organizing a joint underwriting association which shall provide basic property
237 insurance to eligible applicants who are otherwise unable to obtain such coverage in the
238 voluntary market. Every such insurer shall be a member of the association and remain a member
239 as a condition of its authority to transact such insurance within the commonwealth.

240 (b) Such association shall be authorized to inspect properties, issue policies, collect
241 premiums and accept payment in installments under plans approved by the commissioner
242 consistent with plans offered by voluntary market insurers and reflecting options for at least 6

243 payments annually, adjust claims and pay losses on behalf of its members, employ officers,
244 agents and other employees, enter into contracts, sue and be sued in its own name and take all
245 other actions necessary or appropriate to carry out its functions.

246 (c) The association shall submit to the commissioner a proposed plan of operation,
247 consistent with the purposes of this chapter, to provide for the prompt and efficient provision of
248 basic property insurance to eligible applicants who meet reasonable underwriting standards and
249 are otherwise unable to obtain coverage from insurers in the voluntary market. Such plan of
250 operation shall provide for economical, fair and nondiscriminatory administration including, but
251 not limited to, provisions for preliminary assessment of all members for initial expenses
252 necessary to commence operations, establishment of necessary facilities, management of the
253 association, assessment of members to defray losses and expenses, commissions, reasonable
254 underwriting standards and limits of liability, purchase of reinsurance and procedures for
255 determining amounts of insurance to be provided.

256 (d) The plan of operation shall be subject to approval by the commissioner, following a
257 public hearing, and shall take effect 10 days after the commissioner approves it. If the
258 commissioner disapproves the proposed plan of operation, the association shall, within 30 days,
259 submit for review an appropriately revised plan of operation and, if the association fails to
260 submit such a plan or if the revised plan is also disapproved by the commissioner, the
261 commissioner shall promulgate a plan of operation consistent with this section. The association
262 may, on its own initiative or at the request of the commissioner, amend the plan of operation,
263 subject to approval by the commissioner.

264 (e) (1) All members of the association shall participate in its writing, expenses, profits
265 and losses in the proportion that the premiums written by each such member for basic property

266 insurance, as defined in section one, except premiums for insurance on automobile and
267 manufacturing risks excluded from the plan and that portion of the premiums attributable to the
268 operation of the association during the preceding calendar year, bear to the aggregate premiums
269 for such insurance written in the commonwealth by all members of the association. Such
270 participation by each insurer in the association shall be determined annually on the basis of such
271 premiums written during the preceding calendar year as disclosed in the annual statements and
272 other reports filed by the insurer with the commissioner.

273 (2) The participation of each member of the association writing personal lines coverage
274 shall be adjusted based on the homeowners premiums written by such a member in any credit-
275 eligible zip code, defined as any zip code in the commonwealth where the association market
276 share in such zip code exceeds one and one half times the association's statewide market share
277 and further that the association market share in that zip code shall equal or exceed fifteen per
278 cent, averaged over the latest three calendar years, in accordance with the following clauses:

279 (i) The participation ratio of each member writing personal lines insurance shall be
280 recalculated, in accordance with the procedures set forth in subparagraph (1) but subtracting the
281 premium written by members of the association writing only commercial lines insurance from
282 the aggregate premiums written in the commonwealth by all members of the association.

283 (ii) The participation ratio of each member writing personal lines insurance as
284 recalculated in clause (i) shall be multiplied by the sum of the total premium written by the
285 association in the commonwealth and 150 per cent of the total industry homeowners credit
286 eligible premium written in credit-eligible zip codes, as defined in this chapter.

287 (iii) The product of the multiplication described in clause (ii) of this subsection shall be
288 (A) reduced by subtracting therefrom 150 per cent of the homeowners premium written by each

289 member in any credit-eligible zip code in the year of an association loss or (B) shall be increased
290 by adding therefrom 150 per cent of the homeowners premium written by each member in any
291 credit-eligible zip code in the year of an association profit.

292 (iv) The result of the calculation described in clause (iii) for a carrier, never less than
293 zero, shall be divided by sum of this calculation across all carriers. The resulting ratio shall be
294 the adjusted participation ratio for the member.

295 (v) The adjusted participation ratio of those members whose participation ratio is
296 calculated as provided in this subparagraph shall apply to that portion of the writings, expenses,
297 profits and losses of the association not recovered by applying the participation ratios of the
298 remaining members of the association as calculated, as provided in subparagraph (1).

299 (3) The participation of any member of the association writing personal lines insurance
300 shall be further adjusted if such member has written homeowners insurance during the preceding
301 calendar year, hereafter called the base year, on property that was insured by the association in
302 the year immediately preceding such base year and which is located in any credit eligible zip
303 code, defined as any zip code in the commonwealth where the association market share in such
304 zip code exceeds one and one half times the association's statewide market share and further that
305 the association market share in that zip code shall equal or exceed fifteen per cent, averaged over
306 the latest three calendar years. The participation of such a member shall be adjusted by (i)
307 reducing the amount of premium written by such member in subparagraph (1) by one hundred
308 per cent of the total homeowners insurance premiums written by the member on property
309 described in this clause in the year of an association loss or by (ii) increasing the amount of
310 premium written by such member in subparagraph (1) by one hundred per cent of the total
311 homeowners insurance premiums written by the member on property described in this clause in

312 the year of an association profit. Such adjustment shall not apply to any insurance written on
313 property that was insured by the member or any affiliate or subsidiary member in either of the
314 two years preceding the base year.

315 (f) The association shall be governed by a board of 18 directors, who shall serve without
316 compensation. Ten directors shall be elected annually by the members of the association by
317 cumulative voting; 2 directors of associations of insurance agents and brokers doing business in
318 the commonwealth appointed by the commissioner; 4 directors from the general public appointed
319 by the commissioner, one of whom shall reside in a coastal territory; and 2 directors from the
320 general public appointed by the attorney general, one of whom shall reside in a coastal territory.
321 The 6 directors appointed from the general public by the commissioner of insurance and the
322 attorney general shall serve 3-year terms, staggered in a manner to ensure the annual expiration
323 of the terms of 2 directors, and shall not serve as director for more than 3 consecutive terms. The
324 6 directors appointed from the general public may not have affiliations with the insurance
325 industry. Cumulative voting by members shall be permitted at all such elections.

326 SECTION 8. Subsection (c) of section 5 of said chapter 175C, as so appearing, is hereby
327 amended by inserting after the third sentence, the following sentence: “The commissioner shall
328 consider premium adjustments on owner’s policy forms for homeowners in large share territories
329 to keep costs reasonable for primary residents.”

330 SECTION 9. Said section 5 of said chapter 175C, as so appearing, is hereby further amended by
331 inserting the following subsection:-

332 (d) The commissioner shall promulgate regulations requiring insurers to educate
333 consumers as to the nature of and alternatives to the unlimited guaranteed replacement cost

334 endorsement. Consumers shall then be required to sign a waiver assuring their understanding of
335 the unlimited guaranteed replacement cost.

336 SECTION 10. The association shall annually make a return to the commissioner of revenue on
337 behalf of the members of the association reporting the amount of the aggregate excise imposed
338 on the members under sections twenty-two and twenty-three of chapter sixty-three with respect
339 to policies or certificates of insurance issued by the association on behalf of the members and
340 shall pay to the commissioner at the time fixed for filing such return the amount of the aggregate
341 excise thereby imposed on the members. The association shall give such information on its
342 return as the commissioner may deem necessary for the determination of the excise imposed on
343 the members of the association under sections twenty-two and twenty-three of chapter sixty-three
344 on business transacted by the members directly and through the association. The association
345 shall make payments of estimated tax on behalf of the members of the association with respect to
346 the excise imposed on the members under sections twenty-two and twenty-three of chapter sixty-
347 three with respect to policies or certificates of insurance issued by the association on behalf of
348 the members under procedures established by the commissioner which are similar to the
349 procedures and requirements for corporations to make payments of estimated tax under sections
350 two through ten of chapter sixty-three B.

351 SECTION 11. Notwithstanding the provisions of section (7), the appointment of the 4 directors
352 from the general public appointed by the commissioner of insurance shall be as follows: 2
353 directors shall be appointed for a term of 3 years, 1 director shall be appointed for a term of 2
354 years, and 1 director shall be appointed for a term of 1 year. The appointment of the 2 directors
355 from the general public appointed by the attorney general shall be as follows: 1 director shall be
356 appointed for a term of 2 years and 1 director shall be appointed for a term of 1 year. Upon

357 expiration of these appointments, all subsequent appointments of directors from the general
358 public shall be appointed for 3 year terms.

359 SECTION 12. The department of revenue, in consultation with the division of insurance, shall
360 make an investigation and study relative to the benefits and viability of a low interest loan
361 program to assist homeowners in the commonwealth with both the costs associated with the
362 purchase and installation of approved mitigation measures as described in section 2 and
363 homeowners insurance deductibles on damage associated with wind storms. The department
364 shall also study the potential utilization by homeowners as well as the funding required to
365 support such a loan program.

366 The department of revenue shall file a report of the results of its investigation, along with
367 any legislative and regulatory recommendations, with the joint committee on financial services
368 and the clerks of the senate and house of on or before January 15, 2010.

369 SECTION 13. Notwithstanding any general law to the contrary the Massachusetts Property
370 Insurance Underwriting Association shall not increase rates for the association homeowners
371 insurance policies in large scale territories before March 1, 2010.

372 SECTION 14. Section 99D of chapter 175 of the General Laws shall apply to all policies issued
373 or renewed on or after June 30, 2010.