



COMMONWEALTH OF MASSACHUSETTS
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DIVISION OF INSURANCE

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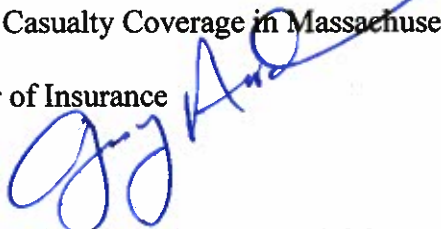
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GARY D. ANDERSON
COMMISSIONER OF INSURANCE

BULLETIN 2020-22

To: All Insurers Writing Property and Casualty Coverage in Massachusetts
From: Gary D. Anderson, Commissioner of Insurance
Date: July 7, 2020
Re: Procedures Associated with the Weather Event in Norwood, MA and
Its Vicinity on June 28, 2020



Background

On June 28, 2020, a weather event caused significant damage to properties in Norwood, MA and its vicinity. In light of that significant damage and to support the ongoing recovery efforts, the Division of Insurance (“Division”) issues this Bulletin to provide guidance to insurers responding to claims.

Insurance coverage plays a critical role in the stability of the Commonwealth’s economy and the protection of its residents. Because COVID-19 may impose unique risks to our insurance market that Massachusetts has not faced for at least a generation, and as stated in the Bulletins issued by the Division since March, it is essential that government and business leaders take all appropriate steps to safeguard the general public and well-being of the Commonwealth’s citizens. The Division issued Bulletin 2020-05 (Flexibility in the Issuance and Administration of Insurance during COVID-19 [Coronavirus] Public Health Crisis) on March 23, 2020, outlining the Division’s expectations regarding steps insurers are to take to help address concerns about maintaining coverage and preserving the Massachusetts insurance market during the COVID-19 public health crisis. The Division also issued Bulletin 2020-17 (Flexibility in the Administration of Vacancy Clauses during COVID-19 [Coronavirus] Public Health Crisis) on May 18, 2020, outlining the Division’s expectations regarding steps insurers are to take to help address vacancy provisions when business properties have not been unoccupied because they were not considered essential businesses and were ordered to not remain open.

During the pandemic, many homeowners are spending more time at home, including working remotely and caring for children that might otherwise be in school, day care or camp programs. In addition, policyholders are facing financial hardship as a result of the effects of COVID-19. In light of these circumstances, it is especially important that insurers appropriately respond to the June 28, 2020 weather event.

Claims Handling

All insurers are required to promptly investigate all claims. This includes the investigation of the causation of loss to ascertain if coverage exists on a claim-by-claim basis.

Residents' and businesses' ability to qualify for federal disaster assistance may be dependent on furnishing evidence that the insurer has denied an insured's claim in whole or in part. In those cases in which an insurer is denying a claim, the insurer must provide proper documentation to the insured which will be sufficient to allow the insured to apply for federal disaster assistance, where available.

Insurers should establish expedited claim processing procedures and simplified claim reporting forms, where appropriate.

Underwriting

It is not appropriate for insurers to re-rate, cancel, non-renew, or refuse to provide insurance coverage to a property owner due solely to an individual's status as a claimant as a result of the weather event that occurred in Norwood, MA and its vicinity on June 28, 2020.

It is not reasonable to change policyholders' rating classifications or increase any one policyholder's insurance rates solely because the policyholder had damage associated with this weather event.

The Division will be closely monitoring the recovery and insurance claims process related to this weather event. Questions regarding this Bulletin, or other claims-related issues, should be directed to Matthew M. Mancini, Director, State Rating Bureau at (617) 521-7459 or at matthew.mancini@state.ma.us.