



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

1000 Washington Street, Suite 810 • Boston, MA 02118-6200
(617) 521-7794 • Toll-free (877) 563-4467
<http://www.mass.gov/doi>

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

JAY ASH
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN
UNDERSECRETARY OF CONSUMER AFFAIRS
AND BUSINESS REGULATION

GARY D. ANDERSON
COMMISSIONER OF INSURANCE

BULLETIN 2018-05

TO: All Property and Casualty Insurers Writing Property and Casualty Coverage in Massachusetts

FROM: Gary D. Anderson, Commissioner of Insurance

DATE: September 25, 2018

RE: Emergency Procedures Related to the Damages Arising from the Gas Line Explosions and Fires Occurring on September 13, 2018 in Andover, North Andover and Lawrence, Massachusetts

Background

On September 13, 2018, there were numerous gas line explosions and fires occurring in Andover, North Andover and Lawrence within the Merrimack Valley Region of Massachusetts creating significant disruption with homes and businesses within that area. In light of the significant damage and in order to provide ongoing support for recovery efforts in these areas, the Division of Insurance ("Division") offers the following guidance and recommendations.

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 any 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 any disaster assistance, where available.

The Division expects insurers to offer extensions to claimants who have been displaced from their homes or businesses as a result of the disaster if they are unable to meet reporting timelines or other requirements that are specified in their insurance policies or otherwise.

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

Premium and Vacancy Provisions

The Division encourages all insurers to provide prompt and immediate relief to those policyholders impacted by the disaster, including the temporary suspension of premium payments and suspension of vacancy provisions for those temporarily displaced. The term “suspension” is not intended to mean forgiveness of the premium; rather, it refers to an extended grace period for the payment of premium.

Insurers are also encouraged to work with policyholders with regard to the collection of premiums, including the granting of requests for reasonable payment plans.

The Division will work with insurers to minimize the regulatory effects of an insurer’s suspension of premium payments, specifically in regard to financial review requirements.

Underwriting

The Division would not find it reasonable for insurers to re-rate, cancel, non-renew, or refuse to provide insurance coverage due solely to a policyholder’s status as a victim of this incident or as an evacuee of this disaster.

The Division would also not find it reasonable for a carrier to change policyholders’ rating classifications or increase their insurance rates solely because they are victims of this incident or evacuees of this disaster.

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