

# Producer's Operations Manual



**Massachusetts Property Insurance Underwriting Association  
Producers' Operations Manual  
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## INTRODUCTION

The purpose of the Massachusetts Property Insurance Underwriting Association (MPIUA), also known as the FAIR (Fair Access to Insurance Requirements) Plan is to make basic property insurance available to qualified applicants who are unable to secure such insurance in the voluntary market. Coverage is provided without consideration to environmental conditions associated with the property's location. Risks must meet MPIUA's Reasonable Underwriting Standards.

Before requesting coverage from MPIUA an attempt should be made to place coverage in the voluntary insurance market. Many insurance companies are willing to write coverage on certain properties presently insured through MPIUA.

The Producers' Operations Manual is designed to act as a ready-reference tool and guide for licensed insurance producers in Massachusetts who place business with the Association. Many of your inquiries regarding Association policies and procedures can be answered by referencing the appropriate section in this manual.

## MPIUA PRODUCER STANDARDS

A producer is any person licensed to engage in the property insurance business as an agent or broker under the laws of the Commonwealth of Massachusetts. The producer standards listed below set forth certain standards with which all producers must comply.

The producer shall be deemed the agent of the applicant/insured for all purposes and is not the agent or broker of the Massachusetts Property Insurance Underwriting Association or its member insurance companies.

1. All producers must comply with the Plan of Operation of the MPIUA as set forth in G.L.c. 175C. Copies are available upon request.
2. No producer has any authority to bind the Massachusetts Property Insurance Underwriting Association in any manner.
3. No insurance agent licensed to sell property insurance shall refuse a request for insurance, inspection and placement from an eligible applicant for basic property insurance, unless such applicant is indebted to any agent or broker, or to an insurance company for requested coverage.
4. All checks payable to Massachusetts Property Insurance Underwriting Association must be immediately negotiable.
5. A producer shall advise the applicant when coverage is placed through the Association that an interior and exterior inspection of the property may be conducted, and the MPIUA Field Representative must be provided full access to the building.
6. Upon any request from an applicant/insured for placement or change in coverage, a producer shall advise the applicant/insured that such request is not effective until approved by MPIUA.
7. Before any of the following documents are submitted to MPIUA, a producer shall ascertain that the signature of the applicant/insured is on the document:
  - a) Request to cancel policy
  - b) Request for assignment of policy
  - c) All new business applications
8. Upon being advised of a claim, a producer shall notify MPIUA immediately at [www.mpiua.com](http://www.mpiua.com) via the 'Report a Claim' link, by mailing or faxing an ACORD Claims Form or by telephone at (800) 851-8978. MPIUA will then assign an adjuster to review the claim. Claims Toll Free Telephone (800) 851-8978. Claims Fax (617) 557-5691 Claims Toll Free Fax (800) 851-8424
9. All producers must enroll in ACH Electronic Funds Transfer to receive monthly agency commissions.

## HOW TO BEGIN PLACING BUSINESS WITH MPIUA

To begin business with the Association, producers must be entered into the Associations database by completing and submitting all required information found at [www.mpiua.com](http://www.mpiua.com) under the Quick Links section of the homepage within the “New Producer Sign Up” link.

Necessary items in PDF format:

- MA Agency License
- Employee Identification Number (EIN) or Federal Tax Identification Number (FTIN)
- Voided Agency Check

**\*Once the Association has created the user account an email including login credentials to access the producer portal will be sent to the email address provided on the agency application.\***

## HOW TO MAKE AGENCY CHANGES AND TRANSFERS

All correspondence pertaining to an agency change or to transfer agencies please send email to [agentrelations@mpiua.com](mailto:agentrelations@mpiua.com).

Necessary items for agency transfers, in PDF format:

- Active MA Agency License
- Purchase and Sale agreement
- All other relevant documentation

## TELEPHONE AND FAX NUMBERS

BUSINESS HOURS 8:00 A.M. – 4:00 P.M.  
MONDAY THROUGH FRIDAY

The directory listed below provides you with telephone numbers and departments needed for your inquiry.

TYPE OF INQUIRY	TELEPHONE #	DEPARTMENT
<b><u>General Procedure Calls:</u></b>		
All Inquiries	(617) 723-3800	Customer Service
Nation Wide-Toll Free Line	(800) 392-6108	
<b><u>Underwriting Matters:</u></b>		
Immediate Coverage New Business Cancellations Endorsements Renewals Return Premiums	(617) 723-3800	Customer Service
Billing Line	(877) 221-1782	Customer Service
<b><u>Claims Matters:</u></b>		
Reporting of Claims	(617) 723-3800 (800) 851-8978	Claims
Reporting of Claims (after hours)	(800) 297-3554	Claims
Status of Claim	(800) 851-8978	Claims

Claims may be reported online at [www.mpiua.com](http://www.mpiua.com) via the 'Report a Claim' link.

**Fax Numbers:** Fax numbers are operational 24 hours 7 days a week.

FAX Numbers listed below may only be used for transmission of the documents as indicated.

Procedure	Fax #	Department
Immediate Coverage Rejection Response	(800) 932-6717	Customer Service
New Purchase Rejection Response	(800) 272-5885	Customer Service
Commercial Applications	(800) 932-6717	Customer Service
Endorsements & Cancellations	(800) 796-2230	Customer Service
Claims	(800) 851-8424	Claims

## WHO TO CONTACT IN THE ASSOCIATION

The purpose of the directory shown below is to direct inquiries to the appropriate department of the Association so that questions can be expeditiously handled and a high quality of service is maintained.

Inquiries concerning the processing status of an application, policy, endorsement, cancellation, claim or other matters can be most efficiently handled when directed to the proper department. The following is a list of the key people in the Association.

**MPIUA**  
**Executive Office**  
Two Center Plaza  
Boston, MA 02108-1904  
(617) 723-3800

### **Executive**

John K. Golembeski, President

### **Legal**

Robert C. Tommasino, Senior Vice President & General Counsel

### **Underwriting**

John Cantalupa, Vice President and Chief Underwriting Officer  
Paul Driscoll, Underwriting Product and Reinsurance Manager  
Jason Cardoso, Underwriting Operations Manager  
Julie Lilley, Inspections Manager

### **Claims**

Michael Reilly, Vice President-Claims  
Kellye Van Liere, Property Claims Manager  
James Costello, Liability Claims Manager  
Joan Markham, Claims Operations and Services Supervisor

### **Financial**

Richard Connors, Vice President and Chief Financial Officer  
Linda Moro, Assistant Controller

### **Information Systems**

Linus T. Hart, Vice President and Information Systems Manager

### **Audit and Budget**

Eileen Burke, Audit and Budget Manager

## HOURS AND DIRECTIONS

<b>Location:</b>	Two Center Plaza Boston, Massachusetts 02108-1904
<b>Hours of Operation:</b>	8:00am to 4:00pm Monday through Friday
<b>Claims Reporting:</b>	24 Hours / 7 Days a Week - (800) 297-3554
<b>General Customer Service:</b>	8:00am to 4:00pm Monday through Friday
<b>Payments:</b>	24 Hours / 7 Days a Week via <a href="http://www.mpiua.com">www.mpiua.com</a>
<b>Application Upload:</b>	24 Hours / 7 Days a Week via <a href="http://www.mpiua.com">www.mpiua.com</a> - Producer Portal ( <a href="https://apps.mpiua.com/agent/login.asp">https://apps.mpiua.com/agent/login.asp</a> )

**Note:** There is a periodic maintenance for web services such as application upload and payments. The web schedule is available on [www.mpiua.com](http://www.mpiua.com) within the Resources section.



## PRODUCER PORTAL

[WWW.MPIUA.COM](http://WWW.MPIUA.COM)

**Producer Web Interface** - Producers are able to submit applications, as well as, manage and view real-time information for all of their insureds. A user name and password is required to access policy information and can be obtained by contacting the Association.

### **Producer Portal Features & Agency Management tools**

- **Web Application Submission System**
  - Required method of submission for Homeowners & Dwelling applications
  - Training links provided for: Web Application, Web App. RCT, App. Trusts or Estates
- **Electronic Endorsement Submission System**
- **Electronic Cancellations Submission System**
- **Make Payments Online**
- **Total number of policies**
- **Review last commission date**
- **Total new business policies to date**
- **Total new business policies in current month**
- **Lists all policies with pending cancellations**
- **Access MPIUA's CoreLogic RCT Express website**
- **Determine Distance from coast**
- **Order Reinspection**

#### **Upload Photos of Conditions Corrected and Extension Requests**

- **Report a claim**

### **Individual Policy Management Features**

- **Web Application Submission System** – Check application status during submission.
- **Electronic Endorsement Submission System** – Check endorsement status
- **Payment History** - “real-time” data concerning payments received and outstanding balances due.
- **Policy Details**, including coverage limits, endorsements, mortgagees as well as underwriting and inspection information.
- **Insured Contact Information** – Ability to update insured contact phone numbers
- **Policy Status** – Provides recent activity including current status and recent transaction information.
- **Print Policy Declarations**
- **Mortgage Changes** – Ability to make mortgage changes on HO policies.

In order to obtain a User ID and Password please visit the Association the homepage of [www.mpiua.com](http://www.mpiua.com). Within the Quick Links section, click on the “Agency Application” link to complete the registration process.

## **WHO MAY APPLY**

Any person or legal entity having an insurable interest in the property may apply if the applicant has been unable to secure such insurance in the Voluntary Insurance Market.

Mortgagees are considered to have an insurable interest in the property and may apply for insurance. When authorized, in writing, by the property owner, mortgagees may apply for coverage to be written in the name of the property owner with premiums to be paid by the mortgagee.

## **ELIGIBLE PROPERTY**

Coverage is available for real or tangible personal property at a fixed location in the Commonwealth of Massachusetts.

The property must be in insurable condition. The applicant must have an insurable interest in the property. Automobiles are ineligible. Properties being rehabilitated and dwellings under construction are eligible if a letter of intent or contract for reconstruction is provided. Section I - Dwelling Coverage is available under the Dwelling Policy Program, form DP 00 01 (Section II – Liability Coverage is not available for dwellings being rehabilitated or are under construction).

## **MASSACHUSETTS MARKET ASSISTANCE PLAN (MA-MAP)**

### **A. MA-MAP**

The Massachusetts Market Assistance Plan is a voluntary network for participating homeowners insurance companies and established insurance brokers to assist Massachusetts residents in obtaining homeowners insurance in the voluntary market.

### **B. MA-MAP Applications**

In order to obtain MA-MAP application materials, details of eligibility requirements, procedures and any other relevant information, insurance brokers and customers may contact:

1. **MA-MAP** – (617) 723-3800 or (800) 392-6108
2. **MAIA** – (508)634-2900  
91 Cedar Street  
Milford, MA 01757
3. **MPIUA** – (617) 723-3800 or (800) 392-6108  
2 Center Plaza  
Boston MA 02108-1904

Completed application may be sent by fax, mail or hand delivered to:

**MPIUA  
MA-MAP Administrator  
2 Center Plaza  
Boston, MA 02108-1904**

**The applicant must sign the top left section of the first page of the application, which reads: “Sign here if requesting consideration by Massachusetts Market Assistance Plan (MA-MAP)”.**

## **HOMEOWNERS INSURANCE CLEARINGHOUSE**

The MPIUA Board of Directors has undertaken an initiative to depopulate MPIUA. The creation of a Clearinghouse has been authorized to assist facilitating the depopulation effort.

Member companies are provided with information about the insured and the property to determine whether they are willing to offer Homeowner’s Insurance, through the policy’s listed Producer, to an existed MPIUA policy holder.

MPIUA generates a ‘Clearinghouse list’ and provides it to its member companies. If an offer is made, the producer is informed and has the opportunity to review offer(s) with the insured. MPIUA is notified of acceptance by submission of ‘Request to Cancel Policy’.

More information regarding the Clearinghouse is available online at [www.mpiua.com](http://www.mpiua.com) under ‘Policy Notices’.

## PRODUCER QUICK REFERENCE

	<b>Dwelling Fire DP 00 01, 02 &amp; 03</b>  <b>Dwelling Liability DL-1 (optional)</b>	<b>Homeowners Program Owners Forms HO 00 02, 03 and 05 Tenants Form HO 00 04 Condo Unit Owners Form HO 00 06</b>	<b>Commercial Standard Property Policy Form CP 00 99</b>																												
Base Deductible	\$250*	\$250*	\$500*																												
Optional Deductibles	\$100, \$500 \$1,000 & \$2,500	All Forms: \$500, \$1,000, \$2,500 HO 02, 03 and 05, only: \$100	\$250, \$1,000, \$2,500, \$5,000 \$10,000, \$25,000, \$50,000 & \$75,000																												
Basic Eligibility	- 1-4 Unit Dwelling. - Contents of any Residential Unit. - Dwelling Liability Tenant Occupied	- HO 02, 03 and 05: 1-4 Unit Dwelling Owner Occupied - HO 04 : Any Residential Unit - HO 06 : Owner Occupied Condo Unit	Commercial property including buildings with 5 or more apartments or condominiums.																												
Minimum Limit	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">-DP 00 01</td> <td style="text-align: right;">Cov. Amt None</td> </tr> <tr> <td>-DP 00 02</td> <td style="text-align: right;">\$12,000</td> </tr> <tr> <td>-DP 00 03</td> <td style="text-align: right;">\$15,000</td> </tr> </table> Dwelling Liability (Tenant Occupied): Coverage L : \$100,000 Coverage M : \$1,000	-DP 00 01	Cov. Amt None	-DP 00 02	\$12,000	-DP 00 03	\$15,000	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><b>Section I:</b></td> <td style="text-align: right;"><b>Cov. Amt.</b></td> </tr> <tr> <td>- HO 02, 03 or 05 – Cov A</td> <td></td> </tr> <tr> <td>- <i>Primary Location</i></td> <td style="text-align: right;">\$ 25,000</td> </tr> <tr> <td>- <i>Secondary Location</i></td> <td style="text-align: right;">\$ 15,000</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td>- HO 04 – Cov C</td> <td style="text-align: right;">\$ 6,000</td> </tr> <tr> <td>- HO 06 – Cov C</td> <td style="text-align: right;">\$ 10,000</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td><b>Section II: All Forms</b></td> <td></td> </tr> <tr> <td>Coverage E</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Coverage F</td> <td style="text-align: right;">\$1,000</td> </tr> </table>	<b>Section I:</b>	<b>Cov. Amt.</b>	- HO 02, 03 or 05 – Cov A		- <i>Primary Location</i>	\$ 25,000	- <i>Secondary Location</i>	\$ 15,000			- HO 04 – Cov C	\$ 6,000	- HO 06 – Cov C	\$ 10,000			<b>Section II: All Forms</b>		Coverage E	\$100,000	Coverage F	\$1,000	None
-DP 00 01	Cov. Amt None																														
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<b>Section II: All Forms</b>																															
Coverage E	\$100,000																														
Coverage F	\$1,000																														
Maximum Limit	\$1,000,000 Single Interest \$1,500,000 Multiple Interest Building & Contents Coverage Dwelling Liability (DL-1) Coverage L : \$500,000 Coverage M : \$5,000	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><b>Section I:</b></td> <td style="text-align: right;"><b>Cov. Amt.</b></td> </tr> <tr> <td>- HO 02, 03 or 05 - Cov A</td> <td style="text-align: right;">\$1,000,000</td> </tr> <tr> <td>- HO 04, 06 - Cov C</td> <td style="text-align: right;">\$1,000,000</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td><b>Section II: All Forms</b></td> <td></td> </tr> <tr> <td>Coverage E</td> <td style="text-align: right;">\$500,000</td> </tr> <tr> <td>Coverage F</td> <td style="text-align: right;">\$5,000</td> </tr> </table>	<b>Section I:</b>	<b>Cov. Amt.</b>	- HO 02, 03 or 05 - Cov A	\$1,000,000	- HO 04, 06 - Cov C	\$1,000,000			<b>Section II: All Forms</b>		Coverage E	\$500,000	Coverage F	\$5,000	\$1,000,000 Single Interest \$1,500,000 Multiple Interest Building & Contents Coverage														
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- HO 04, 06 - Cov C	\$1,000,000																														
<b>Section II: All Forms</b>																															
Coverage E	\$500,000																														
Coverage F	\$5,000																														
Minimum Premium	\$50	\$50	\$100																												
Amount of Insurance Requirement (Insurance to Value)	(DP-1)Present Market Value  (DP-2 and DP-3) generally 80% or more of Reconstruction Cost	- HO 02, 03 or 05: Generally 80% or more of Reconstruction Cost  - HO 04, 06: Actual Cash Value	<b>Buildings:</b> 80%, 90%, 100% of Reconstruction Cost Less Depreciation, with proper documentation, otherwise written with no co-insurance. <b>Contents:</b> Actual Cash Value																												
Application(s) Required	Application ACORD 65MA Mandatory Building Fire Insurance Application(MUA-CA-1) MPIUA RCT Estimator If under rehabilitation or construction Letter of Intent is required-not eligible for Coverage L & M Liability Application : MPIUA DL1	Application ACORD 60 MA RCT Estimator Worksheet required for Forms HO 02, 03 and 05.	Application ACORD 67MA Mandatory Building Fire Insurance Application (MUA-CA-1) is also required if building coverage is requested. If under rehabilitation/construction Letter of Intent is required.																												

**For all lines, A copy of the mortgage agreement is required for any non-institutional mortgagee named on the application.**

\* MPIUA may impose a higher deductible

## COVERAGES PROVIDED AND UNDERWRITING GUIDELINES

### A. Dwelling Policy Program

#### 1. Policy Form :

DP 00 01- Basic Form  
 DP 00 02- Broad Form  
 DP 00 03 - Special Form

**\*\*Dwelling Liability supplement is available for tenant occupied dwellings.\*\* (Except for Dwellings in the process of Rehabilitation or in the Course of Construction.)**

#### 2. Coverages

All DP forms 00 01, 00 02, and 00 03 provides Coverages A through D. These coverages may be written as separate items in the policy or in separate policies:

- a. Coverage A : Dwelling
- b. Coverage B : Other Structure
- c. Coverage C : Personal Property
- d. Coverage D : Fair Rental Value
- e. Coverage E: Additional Living Expense is available by endorsement.
- f. Condominium Unit Owners Coverage – DP 00 01 and 00 02 policy only with DP 17 66. DP 04 56 available to broaden coverage when attached to a DP 00 02.
- g. Coverage L: Personal Liability (Available for tenant occupied only)
- h. Coverage M: Medical Payments (each person) (Available for tenant Occupied only)

#### 3. Perils Insured Against

The following is a general description of coverages provided. The policy should be consulted for exact coverage description.

Perils Insured Against	DP 00 01 Basic Form	DP 00 02 Broad Form	DP 00 03 Special Form
Fire or Lightning	Yes	Yes	Yes
Extended Coverage meaning Named Storm, Explosion, Riot or Civil Commotion, Aircraft, Vehicles, Smoke, Volcanic Eruption	Optional *	Yes	Yes
Vandalism or Malicious Mischiefs	Optional **	Yes	Yes

Falling Objects, Weight of Ice, Snow or Sleet, Accidental Discharge of Water or Steam, Sudden Cracking of a Steam or Hot Water Heating System, Freezing, Sudden Damage from Artificial Electric Currents	No	Yes	Yes
Additional Risks with Certain Exceptions (Special Coverage)	No	No	Yes Coverage A and B Only

\* May only be written with the perils of Fire or Lightning

\*\* May only be written with Extended Coverage

#### 4. Eligibility

##### a. General

- (1) Real or tangible personal property must be at a fixed location in the Commonwealth of Massachusetts.
- (2) Property must meet MPIUA's Reasonable Underwriting Standards, (see pages 47 & 48).
- (3) Applicant must have an insurable interest in the property.

##### b. Basic

A Dwelling Policy may be issued to provide insurance under:

- (1) Coverage A - on a dwelling building:
  - (a) used solely for residential purposes except that certain incidental occupancies or up to five roomers or boarders are permitted;
  - (b) containing not more than four apartments;
  - (c) which may be in a townhouse or row house structure;
  - (d) in course of construction; or  
**(DP 00 01 only-Liability supplement unavailable)**
  - (e) in process of rehabilitation  
**(DP 00 01 only-Liability supplement unavailable)**

- (2) Coverage A – on a mobile or trailer home:
  - (a) using Form DP 00 01 only; **(Liability supplement unavailable)**
  - (b) used solely for residential purposes except that certain incidental occupancies or up to five roomers or boarders are permitted;
  - (c) containing not more than one apartment;
  - (d) at the permanent location described in the policy.
  
- (3) Coverage B:
  - (a) at the same location as the dwelling eligible for insurance under Coverage A;
  - (b) not used for business purposes except a permitted incidental occupancy or when rented for use as a private garage;
  - (c) at a separate location when used in connection with the insured location but not for business purposes.
  
- (4) Coverage C - in:
  - (a) a dwelling, mobile or trailer home eligible under Coverage A;
  - (b) a dwelling with rental apartments including furnishings, equipment and appliances in halls or utility rooms;
  - (c) any apartment, cooperative or condominium unit used as private living quarters of the insured or rented to others.
  
- (5) Coverage D - for the loss of the fair rental value of:
  - (a) a building eligible for insurance under Coverages A or B;
  - (b) private living quarters eligible under Coverage C.
  
- (6) Coverage E - for the additional living expenses incurred to maintain the insured's household. Owner Occupied Dwellings only.
  
- (7) Condominium Unit Owners Coverage – DP 17 66 for condominium units. **(DP 00 01 and DP 00 02 policy only)**
  
- (8) Coverage L – Personal Liability – Each Occurrence
  
- (9) Coverage M – Medical Payments – Each Occurrence

## 5. **Additional (Optional) Coverages**

Optional coverages are available using ISO endorsements.



**6. Deductibles (Base, Optional and Mandatory)**

- a. **Base Deductible**  
\$250 - MPIUA may impose a higher deductible.
- b. **Buy-back Deductible**  
\$100 available to applicants with no property losses.
- c. **Higher Optional Deductibles**  
\$500, \$1,000 and \$2,500
- d. **Mandatory Named Storm Deductible**

For a reduced premium, a Minimum Mandatory Percentage or Higher Fixed dollar Named Storm Deductible applies to all Dwelling Policy Programs. The Deductible varies by Location and Coverage A limit.

The Mandatory percentage Named Storm deductible applies to all DP 1, 2 or 3 policies located in Barnstable, Dukes and Nantucket Counties, and to properties located within 1/2 mile of the coast, in the rest of the State. In order to determine the distance to the coast, visit MPIUA.com. The applicable Mandatory percentage Named Storm Deductible and the corresponding dollar amount deductible will appear on the policy declaration.

**I. Named Storm Deductible Rule for Properties located in Barnstable, Dukes and Nantucket Counties or located within 1/2 mile of the coast in rest of the state:**

MINIMUM NAMED STORM DEDUCTIBLE					
Cov. A Limit (In 000 )	Entire Dukes & Nantucket Counties	Barnstable County		Rest of State	
		Within 1/2 Mile of the Coast	More than 1/2 Mile from the Coast	Within 1/2 Mile of the Coast	More than 1/2 Mile from the Coast
Up to 99	2%	2%	2%	1%	AS PER CURRENT MINIMUM NAMED STORM DEDUCTIBLE REQUIREMENT AS SHOWN BELOW
100 - 199	2%	2%	2%	1%	
200 - 299	5%	2%	2%	1%	
300 - 399	5%	2%	2%	1%	
400 - 499	5%	2%	2%	1%	
500 - 599	5%	2%	2%	2%	
600 - 699	5%	5%	2%	2%	
700 - 799	5%	5%	2%	2%	
800 - 899	5%	5%	2%	2%	
900 - 999	5%	5%	2%	2%	
1,000	5%	5%	2%	2%	

**II. Named Storm Deductible Rule for Properties located more than ½ mile from the coast anywhere in the state except properties in Barnstable, Dukes and Nantucket Counties:**

All Other Perils Ded. Limit	MINIMUM NAMED STORM DEDUCTIBLE Coverage A Limit				
	Up to \$59,999	\$60,000 to 124,999	\$125,000 to 249,999	\$250,000 to 599,999	\$600,000 and Over
\$ 100	NONE	\$500	\$1000	\$2000	\$5000
\$ 250	NONE	\$500	\$1000	\$2000	\$5000
\$ 500	NONE	NONE	\$1000	\$2000	\$5000
\$1000	NONE	NONE	NONE	\$2000	\$5000
\$2500	NONE	NONE	NONE	NONE	\$5000

**7. Protective Device Credits (DP 04 70)**

Type of Installation	Dwelling	Mobile or Trailer Home
Central Station Reporting Fire Alarm	.90	.92
Fire Department Reporting Fire Alarm	.93	.98
Local Fire Alarm	.95	.97
Automatic Sprinklers In all areas Including attics, Bathrooms, closets, Attached structures	.87	.90
Automatic Sprinklers In all areas Except attic, Bathroom, closet And attached structure areas that are Protected by a fire Detector	.90	.95

**\*\*Note: Credit not applicable for battery operated Smoke Detectors\*\***

8. **Massachusetts Tenant Relocation Expense**

It is required under Massachusetts law for owners of multi-unit (more than one unit) residential property to provide benefits up to a limit of \$750, without deductibles, for each rental unit to cover the costs of relocation of any tenant displaced by fire.

Use Endorsement DP 04 97. Charge is \$4.00 per rental unit per year.

9. **Property Held in a Trust**

If the Property is held in a trust, below is an example how the named Insured should read on the application:

**Example**

John and Mary Smith sign their property over to a trust naming themselves as trustees (and they occupy the property). *Endorsement HO 05 43 is added to the policy*

Title on policy will read, "John and Mary Smith trustees of the John and Mary Smith Trust".

Signatures of John and Mary Smith as trustees are required.

10. **Minimum/Maximum Limits of Liability**

	Minimum Policy Limits			Maximum Policy Limit All Forms
	DP 01	DP 02	DP 03	
Building Coverage	None	\$12,000	\$15,000	\$1,000,000
Contents Coverage	None	\$ 5,000	\$ 5,000	\$1,000,000
Liability Coverage – Cov L	\$100,000	\$100,000	\$100,000	\$500,000
Medical Payments – Cov.M	\$1,000	\$1,000	\$1,000	\$5,000

The amount of insurance may not exceed the reasonable insurable value nor \$1,000,000 for a single interest or \$1,500,000 multiple interests at an insured location in any case.

In any case of multiple interests the Association requires separate applications for building and contents coverages.

**Single Building**

- a. All buildings or sections of buildings, which are accessible through unprotected openings shall be considered as a single building.
- b. Buildings, which are separated by space, shall be considered separate buildings.

- c. Buildings or sections of buildings which are separated by:
  1. A six-inch reinforced concrete or an eight-inch masonry party wall; or
  2. A documented minimum two-hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and that which pierces or extends to the inner side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

#### 11. **Amount of Insurance Requirement**

- a. Amount of insurance cannot exceed present market value. **(DP 00 01)**
- b. Generally 80% or more of Reconstruction Cost- **(DP 00 02 and DP 00 03)**

#### 12. **Buildings in Process of Rehabilitation or Construction**

Buildings in process of rehabilitation or new construction are eligible for Policy form DP 00 01 only and require a Letter of Intent form to be completed and submitted for review.

The Association requires the rehabilitation/construction to be performed on an ongoing basis. In the event the rehabilitation/construction work is suspended, provide written notification to the Association for review.

#### 13. **Dwelling Personal Liability Lead Poisoning Exclusion (DL 24 41 & DL 24 42)**

- a. MPIUA will attach the Lead Poisoning Exclusion Endorsement DL 24 41 to all policies that insure one or more locations with buildings constructed before 1978 which contain one or more residential units, including condominium and cooperative units, rented or held for rental to others. This exclusion applies to all pre 1978 residential properties that do not comply with the Lead Act.
- b. If an MPIUA Dwelling Personal Liability policyholder's property complies with the Lead Act and the insured has provided MPIUA with a copy of a valid and in-force Prima Facie Evidence of Compliance Certificate, the exclusion will not apply and coverage will be afforded under the policy. However, if the policy becomes non-compliant (e.g., your certificate expired or becomes invalid during the policy period, coverage for lead liability will cease as of the date of non-compliance.
- c. An MPIUA Dwelling Personal Liability policyholder, whose property is non-compliant, may purchase lead liability coverage by requesting the Lead Liability Provisions Endorsement (DL 24 42).

**Coverages Provided and Underwriting Guidelines – Homeowners**

**B. Homeowners Policy Program**

**1. Policy Forms:**

Owners Forms: HO 00 02 – Broad Form  
 HO 00 03 – Special Form  
 HO 00 05 – Comprehensive Form

Tenants Form: HO 00 04 – Contents Broad Form

Condominium Form: HO 00 06 – Unit-Owners Form

**2. Coverage and Standard Coverage Relationships**

**a. The Limits of Liability required under the Homeowners Policy are as follows:**

**Section I – Property Coverages**

<i>Coverages</i>	<i>HO 00 02, 3 or 5</i>	<i>HO 4 or 6</i>
A – Dwelling	Coverage A Amount	HO 4: N/A HO 6: Cov. A = \$5000
B – Other Structures	10% of Cov. A – 1 or 2 Family 5% of Cov. A – 3 or 4 Family	N/A
C – Personal Property	50% of Cov. A – 1 or 2 Family 30% of Cov. A – 3 Family 25% of Cov. A – 4 Family	Coverage C Amount
D – Loss of Use	30% of Cov. A – HO 00 02, HO 00 03 & HO 00 05	30% of Cov C -HO 00 04 50% of Cov C –H 00 06

**Section II – Liability All Forms**

Coverage E – Personal Liability/Coverage F – Medical Payments to Others

**b. All Forms**

Limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

**c. Form HO 2, HO 3 or HO 5**

Under Coverage B of Section I an additional amount of insurance may be written on a specific structure by use of the appropriate endorsement.

**Coverages Provided and Underwriting Guidelines – Homeowners (Cont'd)**

d. **Form HO 2, HO 3 or HO 5**

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit on one and two family dwellings, 20% of the limit on a three family dwelling, 15% of the limit on a four family dwelling.

e. **Form HO 00 06**

The limit of liability for Coverage A for Section I may be increased.

**3. Perils Insured Against**

The following is a general description of coverages provided by individual policy forms. The policy should be consulted for exact coverage description.

<b>Section I Coverages</b>	<b>HO 00 02</b>	<b>HO 00 03</b>	<b>HO 00 05</b>	<b>HO 00 04&amp; HO 00 06</b>
Fire or Lightning	Yes	Yes Cov C	No	Yes
Named Storm, Explosion, Riot or Civil Commotion, Aircraft, Vehicles or Smoke	Yes	Yes Cov C	No	Yes
Vandalism or Malicious Mischief	Yes	Yes Cov C	No	Yes
Theft	Yes	Yes Cov C	No	Yes
Volcanic Eruption	Yes	Yes Cov C	No	Yes
Falling objects, weight of ice, snow or sleet, accidental discharge of water or steam, sudden and accidental tearing apart of a heating system or appliance, freezing, sudden accidental damage from electrical current	Yes	Yes Cov C	No	Yes
Additional risks with certain exceptions (Special Coverage)	No	Yes Cov A, B&D	Yes Cov A-D	No

## Section II Coverages – All Forms

Coverage E – Personal Liability  
Coverage F – Medical Payments to Others

**Personal Liability** – Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

**Medical Payments to Others** – Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

### 4. Eligibility

#### a. General

- (1) Real or tangible personal property must be at a fixed location in the State of Massachusetts.
- (2) Property must meet MPIUA's Reasonable Underwriting Standards, (see pages 44 & 45).
- (3) Applicant must have an insurable interest in the property.

#### b. Basic

- (1) Form HO 00 02, HO 00 03 or HO 00 05

A Homeowners Policy may be issued:

- (a) To the owner-occupant(s) of a 1, 2, 3 or 4 family dwelling which is used exclusively for private residential purposes (except certain Permitted Incidental Occupancies and Residence Held in Trust). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2, 3 or 4 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
- (b) To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement - HO 04 41; or
- (c) To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's reconstruction cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement - HO 04 41; or

- (d) When two or more apartment units in a 2, 3 or 4 family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement HO 04 41. A separate Homeowners Policy HO 00 04 may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement - HO 04 41.

(2) Form HO 00 04

A Homeowners Policy may be issued to:

- (a) The tenants (non-owner) of a dwelling or an apartment situated in any building;
- (b) The owner-occupants of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy.

(3) Form HO 00 06

A Homeowners Policy may be issued to the owner-occupant of a condominium or cooperative unit that is used exclusively for residential purposes and is not occupied by more than one additional family or more than two boarders or roomers.

## 5. Additional (Optional) Coverages

Optional coverages are available using ISO endorsements.

## 6. Deductibles

- a. **Base Deductible**  
\$250 - MPIUA may impose a higher deductible.
- b. **Buy-back Deductible**  
\$100 available to HO 00 02, 03 and 05 applicants with no property or liability losses
- c. **Higher Optional Deductibles**  
\$500, \$1,000 and \$2,500
- d. **Minimum Named Storm Deductible Requirement**

For a reduced premium, a Minimum Mandatory Percentage or Higher Fixed dollar Named Storm Deductible applies to all Homeowner 2, 3 or 5 policies. The Deductible varies by Location and Coverage A limit.



The Mandatory percentage Named Storm deductible applies to all HO 2, 3 or 5 policies located in Barnstable, Dukes and Nantucket Counties, and to properties located within ½ mile of the coast, in the rest of the State. In order to determine the distance to the coast, visit MPIUA.com. The applicable Mandatory percentage Named Storm Deductible and the corresponding dollar amount deductible will appear on the policy declaration.

**I. Named Storm Deductible Rule for Properties located in Barnstable, Dukes and Nantucket Counties or located within ½ mile of the coast in rest of the state:**

MINIMUM NAMED STORM DEDUCTIBLE					
Cov. A Limit (In 000 )	Entire Dukes & Nantucket Counties	Barnstable County		Rest of State	
		Within 1/2 Mile of the Coast	More than 1/2 Mile from the Coast	Within 1/2 Mile of the Coast	More than 1/2 Mile from the Coast
Up to 99	2%	2%	2%	1%	AS PER CURRENT MINIMUM NAMED STORM DEDUCTIBLE REQUIREMENT AS SHOWN BELOW
100 - 199	2%	2%	2%	1%	
200 - 299	5%	2%	2%	1%	
300 - 399	5%	2%	2%	1%	
400 - 499	5%	2%	2%	1%	
500 - 599	5%	2%	2%	2%	
600 - 699	5%	5%	2%	2%	
700 - 799	5%	5%	2%	2%	
800 - 899	5%	5%	2%	2%	
900 - 999	5%	5%	2%	2%	
1,000	5%	5%	2%	2%	

**II. Named Storm Deductible Rule for Properties located more than ½ mile from the coast anywhere in the state except properties in Barnstable, Dukes and Nantucket Counties:**

All Other Perils Ded. Limit	MINIMUM NAMED STORM DEDUCTIBLE Coverage A Limit				
	Up to \$59,999	\$60,000 to 124,999	\$125,000 to 249,999	\$250,000 to 599,999	\$600,000 and Over
\$ 100	NONE	\$500	\$1000	\$2000	\$5000
\$ 250	NONE	\$500	\$1000	\$2000	\$5000
\$ 500	NONE	NONE	\$1000	\$2000	\$5000
\$1000	NONE	NONE	NONE	\$2000	\$5000
\$2500	NONE	NONE	NONE	NONE	\$5000

**7. Protective Devices Factors (HO 04 16)**

<b>Type of Installation</b>	<b>Credit</b>
Local Burglar and/or Fire Alarm	.98
Police Station Reporting Burglar Alarm	.97
Fire Department Reporting Fire Alarm	.97
Central Station Reporting Burglar Alarm	.95
Central Station Reporting Fire Alarm	.95
Local Fire and Central Burglar Alarm	.95
Local Burglar and Central Fire Alarm	.93
Sprinklers Excluding Attics	.92
Central Fire and Central Burglar Alarm	.90
Sprinklers Excluding and Local Burglar	.90
Sprinklers Excluding and Local Police Station	.89
Sprinklers in all Areas	.87
Sprinklers Excluding Attics and Central Burglar or Central Fire Alarm	.87
Sprinkler in all Areas and Central Burglar	.82

**Note: Smoke detectors that are battery operated receive a .98 credit**

**8. Minimum/Maximum Limits of Liability**

<b>Section I</b>	<b>Minimum Limit</b>	<b>Maximum Limit at an Insured Location</b>
HO 00 02, 3 & 5 – Cov A - Primary Location	\$25,000	\$1,000,000
- Secondary Location	\$15,000	\$1,000,000
HO 00 04 – Cov C	\$6,000	\$1,000,000
HO 00 06 – Cov C	\$10,000	\$1,000,000
<b>Section II - All Forms</b>		
Coverage E – Personal Liability	\$100,000	\$500,000
Coverage F – Medical Payment to Others	\$1,000	\$5,000

The amount of insurance may not exceed the reasonable insurable value nor \$1,000,000 single interest nor \$1,500,000 multiple interests at one location in any case.

In any case of multiple interests the Association requires separate applications for building and contents coverages.

**Single Building**

- a. All buildings or sections of buildings, which are accessible through unprotected openings, shall be considered as a single building.
- b. Buildings, which are separated by space, shall be considered separate buildings.
- c. Buildings or sections of buildings which are separated by:
  - (1) A six-inch reinforced concrete or an eight-inch masonry party wall; or
  - (2) A documented minimum two-hour non-combustible wall, which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and that which pierces or extends to the inner side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

**9. Amount of Insurance Requirements**

- a. The following requirements are subject to Minimum/Maximum Limits of Liability, (see paragraph B.8., page 24).

HO 00 02, 03 and 05 - Cov. A must be at least 80% of the Reconstruction Cost of the building.

Exceptions:

- (1) Use Special Loss Settlement Endorsement HO 04 56 if Coverage A is equal to 70%, 60% or 50% of the reconstruction cost desired; or
- (2) A policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage A limit of liability selected by the insured is less than 80% of the full reconstruction cost of the dwelling. Use Actual Cash Value Loss Settlement Endorsement HO 04 81.
- (3) HO 00 02, 03 and 05 only with HO 05 02 (Additional Limits of Liability for Coverage's A, B, C and D) and HO 05 08 (Specified Additional Limits of Liability)  
Coverage A must be at least 100% of the Reconstruction Cost of the building, as calculated by the Association's CoreLogic RCT Express site.

HO 4 - Coverage C must equal actual cash value

HO 6 - Coverage C must equal actual cash value

**Note:** Personal Property Replacement Cost Coverage is available by adding form HO 04 90.

**10. Massachusetts Tenant Relocation Expense HO 23 71**

It is required under Massachusetts law for owners of multi-unit (more than one unit) residential property to provide benefits up to a limit of \$750, without deductibles, for each rental unit to cover the cost of relocation of any tenant displaced by fire.

Use Endorsement HO 23 71. Charge is \$4.00 per rental unit per year.

**11. Homeowners Lead Poisoning Endorsement HO 24 41 and HO 24 42**

- a. MPIUA will attach Lead Poisoning Exclusion Endorsement HO 24 41 to all Homeowners Policies covering buildings, with rental unit(s) built before 1978 irrespective of whether some, all or none of the rented units have a Letter of Compliance and/or a Letter of Interim Control. Also a 3% premium credit will apply whenever Lead Poisoning Exclusion Endorsement is attached irrespective of whether some, all or none of the rented units have a letter of Compliance and/or a Letter of Interim Control.
- b. At the request of the insured, when Endorsement HO 24 42 Coverage for Lead Poisoning is attached to a policy, the additional premium will be based on the number of residential units without a Letter of Interim Control or Full Compliance for which coverage is being purchased. Also, requests for HO 24 42 must identify each unit to which Lead Poisoning Coverage applies.

12. **Additional Residence Rented to Others 1, 2, 3, 4 Families Endorsement HO 24 70 is no longer available to be added to new or existing policies.**
13. **Scheduled Personal Property Endorsement HO 04 61.**

The Association offers the HO 04 61 Scheduled Personal Property Endorsement as an amendment to our Homeowners Policies. The Schedule is not available as a “stand alone” product.

### **Underwriting Requirements**

The Association will require a complete and accurate description of each item being scheduled. Additionally, a certified appraisal, (i.e.; GIA, AGS, AGA) or bill of sale (not over five years old) will be required to support the value(s) of any item(s) valued over \$2,500 for each of the classes listed. On items purchased within the past six months, a bill of sale and certified appraisal may be required. A certified appraisal must include the name and license number of the appraiser, as well as the named insured.

Schedules in excess of \$25,000, located at the residence premises, require a central station fire and burglar alarm in the dwelling unit.

The Association will require an updated appraisal when a request for an increase is received for a scheduled item(s) if the requested amount exceeds \$2,500. If an updated appraisal is required and not submitted, the Association will not honor the increase request. In addition to these requirements, certain classes of property are subject to additional underwriting guidelines.

### **Jewelry**

Unset stones are not eligible for coverage.

### **Furs**

New furs are to be insured for the full purchase price. A certified appraisal from a furrier must be included with all other furs.

### **Cameras**

Insurance is available to cover cameras, camcorders, projection machines, binoculars, telescopes, microscopes, tape recorders and similar equipment. Equipment owned by professional photographers is not eligible.

### **Musical Instruments**

Coverage involving a professional musician is not acceptable.

### **Silverware**

Individual items may be specifically scheduled or blanket amounts may be provided. Insurance is intended to cover silverware, gold-ware, plate-ware and pewter-ware. Coverage is not available for articles of personal adornment or property pertaining to a business. Schedules in excess of \$10,000 may require a photograph.

### **Golfer's Equipment**

Coverage is intended for the clubs, clothing and other golf equipment of the non-professional.

### **Fine Arts**

This coverage is intended primarily for paintings, tapestries and rugs. It is not available for fine arts items such as dinnerware or glassware, which is used in service on a regular basis.

### **Postage Stamps**

Coverage is to be stated by type of collection, such as German or Afghan, with individual stamps in excess of \$250 specifically scheduled. We require evidence that collections in excess of \$5,000 are secured in a U.L. labeled class TL-30 or TRTL-15X6 safe or bank vault.\* Collectors who frequently exhibit their collections are not eligible.

\*The Association will require documentation from the named insured verifying the name and location of the bank for all vaulted items.

**Scheduled Personal Property Coverage Limits**

<b>Class</b>	<b>Per Item</b>	<b>Per Class</b>	<b>Rates - Per \$100 of Ins.</b>
Fine Arts	\$10,000	\$25,000	See Chart Below
Furs	10,000	25,000	0.45
Jewelry	10,000	25,000	1.25
Silverware	2,500	20,000	0.25
Musical Instruments	2,500	7,500	0.35
Cameras	1,000	7,500	1.15
Rare/Current Coins	1,000	7,500	1.25
Golfer's Equipment	1,000	7,500	0.65
Postage Stamps	1,000	7,500	0.45

**The Maximum Schedule Limit is \$50,000 or Coverage C limit, whichever is less.**

**FINE ARTS BASIC COVERAGE PREMIUM CHART:**

Coverage amounts up to \$499 should be rounded down.

Coverage amounts \$500 or more should be rounded up.

<b>Amount of Insurance</b>	<b>One to Four Families Masonry and Frame Protection Class.</b>		<b>Five or More Families Masonry and Frame Protection Class.</b>	
	<b>1-8</b>	<b>9-10</b>	<b>1-8</b>	<b>9-10</b>
\$1,000 or less	3	4	5	6
2,000	4	6	6	8
3,000	5	8	8	10
4,000	6	9	10	13
5,000	8	11	12	15
6,000	9	12	13	17
7,000	10	14	15	19
8,000	11	16	17	21
9,000	12	17	19	24
10,000	13	19	20	26
11,000	14	21	22	28
12,000	16	22	24	30
13,000	17	24	26	33
14,000	18	25	27	35
15,000	19	27	29	37
16,000	20	29	31	39
17,000	21	30	32	41
18,000	22	32	34	44
19,000	24	33	36	46
20,000	25	35	38	48
21,000	26	37	39	50
22,000	27	38	41	53
23,000	28	40	43	55
24,000	29	42	45	57
25,000	30	43	46	59

**Special Breakage Coverage – Fragile Articles** – The Additional Premium shall be developed at a rate of \$1.5 per \$1,000. This premium is in addition to the premium for Fine Arts basic coverage.

**14. Guaranteed Replacement Cost Options-Additional Limits of Liability HO 05 02, Specified Additional limits of liability HO 05 08.**

The Association offers two standard ISO Endorsements under the Homeowners Policy Program, endorsement HO 05 02 Additional Limits of Liability and HO 05 08, Specified Additional Limits of Liability (additional 25% and 50% options available), can be applied to an HO 00 02, HO 00 03 and HO 00 05 policy to provide additional amounts of coverage in the event of a loss.

These Endorsements require writing an amount of coverage equal to at least 100% of the cost calculated by using Association's RCT cost estimator.

**HO 05 02 and HO 05 08 Maximum Limits**

HO 05 02- \$900,000

HO 05 08 25%- \$800,000

HO 05 08 50%- \$665,000

**\*\*Properties insured at or near the maximum limits, in general, require the RCT high value cost estimator and are subject to inspections annually.\*\***

**15. Occasional Rental**

The Association allows primary residences to be rented for a period of up to 12 weeks.

Secondary residences, used on a year round basis, may be rented for up to 12 weeks. Seasonal residences, any residence unoccupied for a period of 3 consecutive months, may be rented for a period of up to 4 weeks.

Dwellings which contain a rental that is transient in nature (nightly or less than weekly rental) are not eligible for coverage under the Homeowner and Dwelling Policy Programs.

**16. Mandatory Policy Endorsement (Limited Fungi, Wet or Dry Rot, or Bacteria Coverage)**

This endorsement is mandatory with the Association. The built in amounts are:

Section I- \$10,000

Section II- \$50,000

**\*\*Section I and Section II Limits may be increased for an Additional Premium\*\***

HO 04 26- All Forms except HO 00 03 and HO 00 05

HO 04 27- For use with Forms HO 00 03 and HO 00 05

HO 04 28- For use with Form HO 00 04 with HO 05 24 and Form HO 00 06 with HO 07 31 or HO 17 32.



## 17. Residence Held in Trust (HO 05 43)

### **Example 1 – Trustee(s) occupies the property:**

John and Mary Smith sign their property over to a trust, the JMS Trust which names themselves, John and Mary Smith as Trustees. John and Mary Smith occupy the property.

Title on policy is **John and Mary Smith Trustees of the JMS Trust.**

Endorsement **HO 05 43** is added to the policy.

Both individuals must sign the application.

### **Example 2 – Beneficiary occupies the property:**

John and Mary Smith sign their property over to a trust, the JMS Trust which names their son, Michael as trustee and their daughter Jane as Beneficiary. Jane is the sole occupant of the property.

Title on policy should be **Michael Smith Trustee of the JMS Trust.**

Endorsement **HO 05 43** should be added naming **Jane Smith Beneficiary of the JMS Trust.**

Both individuals must sign the application.

### **Example 3 – Grantor occupies the property:**

John and Mary Smith sign their property over to a trust, the JMS Trust under which they retain a life estate and name their son, Michael as trustee. John and Mary occupy the property, Michael resides elsewhere.

Title on policy should be **Michael Smith Trustee of the JMS Trust.**

Endorsement **HO 05 43** is added naming **John and Mary Smith Grantors of the JMS Trust.**

All 3 individuals must sign the application.

**Note:** If the Grantor and/or Beneficiary are not occupying the property they cannot be added to the policy using endorsement HO 05 43.

## **Coverages Provided and Underwriting Guidelines - Commercial**

### **C. Commercial Property Insurance**

1. **Policy Form :**

CP 00 99 – Standard Property Policy

2. **Coverages :**

Form CP 00 99 provides building and business personal property coverage. Refer to Standard Property Policy Form CP 00 99 for description of building coverage and description of coverage for business personal property of the insured and personal property of others.

3. **Causes of Loss (Perils Insured Against)**

The following is a general description of coverages provided by the policy form CP 00 99.

- a. Fire, Lightning or Explosion.
- b. Named Storm, Smoke, Aircraft or Vehicle, Riot or Civil Commotion, Sinkhole Collapse, Volcanic Action. (Optional)
- c. Vandalism or Malicious Mischief. (Optional)
- d. Sprinkler Leakage. (Optional)
- e. Terrorism Coverage (Optional).
- f. Same Limits of insurance, Coinsurance and Deductible will apply to all requested Causes of Loss for an item.
- g. All items on a policy must be covered for the same Causes of Loss.
- h. The base policy deductible is \$500.

4. **Eligibility**

a. **General**

- (1) Real or tangible personal property must be at a fixed location in the Commonwealth of Massachusetts.
- (2) Property must meet MPIUA's Reasonable Underwriting Standards, (see pages 46 & 47).
- (3) Applicant must have an insurable interest in the property.
- (4) Buildings in process of rehabilitation. Letter of Intent required.

b. **Basic**

- (1) All Commercial properties.
- (2) Habitational properties not eligible for coverage under the Dwelling Policy or Homeowners Policy Programs.

5. **Optional Coverages**

Optional coverages are available using ISO endorsements.

CP 12 18 (06/95) Loss Payable Provisions

CP 12 30 (06/95) Peak Season Limit of Insurance

CP 14 40 (10/00) Outside Signs

CP 99 20 (10/90) Contributing Insurance

IL 01 08 (03/05) Massachusetts Tenant Relocation Expense

IL 04 15 (04/98) Protective Safeguards

IL 09 52 (11/02) Cap on Losses from Certified Acts of Terrorism

IL 09 68 (11/02) Exclusion of Certified Acts of Terrorism Coverage for Certain Fire Losses

IL 09 85 (01/03) Disclosure Pursuant to Terrorism Risk Insurance Act of 2002

TRIA 1 (11/02) Terrorism Coverage Disclosure Notice 1 (MUA)

TRIA 2 (02/03) Terrorism coverage Disclosure Notice 2 (MUA)

TRIA 4 (02/03) Terrorism Coverage Disclosure Notice 4 IC (MUA)

6. **Deductibles**

a. **Base Deductible**

\$500 - MPIUA may impose a higher deductible.

b. **\$250 Deductible Option**

Available to applicants with no property losses.

c. **Higher Deductibles**

\$1,000, \$2,500, \$5,000, \$10,000, \$25,000, \$50,000 and \$75,000

## 7. Minimum/Maximum Limits of Liability

	<b>Minimum Limit</b>	<b>Maximum Limit At One Location</b>
Building Coverage	None	\$1,000,000
Contents Coverage (Your Business Personal Property)	None	\$1,000,000

The amount of insurance may not exceed the reasonable insurable value nor \$1,000,000 single interest nor \$1,500,000 multiple interests at one location in any case.

In any case of multiple interests the Association requires separate applications for building and contents coverages.

## 8. Coinsurance (Amount of Insurance) Requirements

The following requirements are subject to Minimum/Maximum Limits of Liability shown in item 7 above:

- a. When the amount of insurance is predicated on the market value, the policy is issued with no coinsurance requirement.
- b. When the amount of insurance is predicated on other than the market value, policy may be issued subject to a coinsurance of 80%, 90% or 100%.
- c. When the amount of insurance is predicated on the market value and the market value is equal to 80% or more of the reconstruction cost less depreciation of the building the policy may be issued subject to a coinsurance of 80%, 90% or 100%.

## 9. No Coinsurance (Flat) vs. Coinsurance “Underwriting Guidelines”

The question of whether a Commercial Policy to be written by MPIUA will be subject to a “no-coinsurance” or “coinsurance” clause is generally dependent upon the insurable value of the property to be insured.

It is MPIUA’s underwriting policy to provide amounts of insurance that are consistent with the rule of indemnity. Every effort will be made to assure that properties are not over-insured. Therefore, the following underwriting guidelines will apply:

- a. Except in extraordinary circumstances, market value will provide indemnity to the insured and, therefore, actual cash value coverage should employ a market value standard of value.

When the amount of insurance is predicated upon the market value standard, and this value is less than the value determined by other methods of valuation, the policy will be written with a no-coinsurance clause.

- b. If the actual cash value coverage is to be afforded on other than a market value basis (i.e. reconstruction cost less depreciation), it will be necessary to provide MPIUA with documentation (i.e. certified appraisal) of the reasons market value will not adequately indemnify the insured. When the amount of insurance is predicated on other than market value, the policy will be written subject to a coinsurance clause (minimum 80%) and rates. It will be the insured's obligation to assure that there is compliance with the coinsurance provisions of the policy.
- c. A policy, when written for the maximum amount that MPIUA can provide and there is no other insurance, will be issued with no-coinsurance clause.

**10. Property Held in a Trust**

If the Property is held in a trust, below is an example how the named Insured should read on the application:

John and Mary Smith sign their property over to a trust naming themselves as trustees. Title will read, "John and Mary Smith trustees of the John and Mary Smith Trust".

Signatures of John and Mary Smith as trustees are required.

**11. Commercial Policy Tentative Rates**

Tentative Rates For Building and Business Personal Property per \$100 of Insurance			
Type of Risk	Group I Causes of Loss *		Group II Causes of Loss
Sprinklered	80% Coin	Flat Ins	
Frame	\$1.50	\$2.25	**
Masonry	\$1.25	\$1.75	**
<u>Other Specifically Rated Risks</u>			
Frame	\$3.00	\$4.50	**
Masonry	\$2.00	\$3.00	**

\* \*Use the Group I Causes of Loss rates shown when one or more of the following causes of loss are requested:

Fire, Lightning and Explosion, Vandalism and Sprinkler Leakage. Note that Vandalism and Sprinkler Leakage apply only when requested in the application.

\* \*Use the Group II Causes of Loss rates as per MPIUA's instructions

## NEW BUSINESS PROCEDURES

### A. Introduction Homeowner and Dwelling Fire Applications must be submitted via Online Web Application submission

A new business application for insurance coverage with MPIUA may be submitted under the following procedure:

#### A. Immediate Coverage via Online Web Application

This procedure should be used to procure Immediate Coverage where coverage is to be effective within forty five days.

#### 1. **Submission of Application**

The Association's Online Web Application Procedure requires all applicable applications and documents be submitted at the time of the web submission: the original application, MPIUA RCT estimator, letter of intent, restriction of coverage endorsement and other documents when applicable.

At the time of web submission, you must have in your possession the original application and any applicable additional documents signed by the applicants and also the premium payment.

#### 2. **Issuance of Proof of Insurance/Application Return Notice**

Upon receipt of the application and applicable additional documents, MPIUA will review the application for completion and will determine eligibility and initial insurability of the risk based on the information provided on the application.

If acceptable, the Proof of Insurance Form will be faxed to the producer, and the FAX IC invoice will be mailed to the producer to be remitted with payment.

Coverage is effective on the date the faxed application is received by MPIUA, or a later date if requested.

Proof of Insurance Form will include the policy number assigned, the coverage effective date, the annual MPIUA tentative premium due.

If applicable, Proof of Insurance Form will also indicate the 25% down payment due for the Premium Installment Payment Program and the Proof of Insurance issue date.

If unacceptable, an Application Return Notice will be faxed to the producer. The Application Return Notice will indicate reasons for rejection of the application.

If application is resubmitted within ten days of the Application Return Notice issued date and is acceptable, the Association will issue a Proof of Insurance with the original effective date requested.

**B. New Purchase Immediate Coverage via Online Web Application**

Applications will receive priority when a closing on a New Purchase is to take place within 7 days.

**1. Submission of Application**

The Association's Online Web Application Procedure requires all applicable applications and documents be submitted at the time of the web submission: the original application, MPIUA RCT estimator, letter of intent, restriction of coverage endorsement and other documents when applicable.

At the time of web submission, you must have in your possession the original application and any applicable additional documents signed by the applicants and also the premium payment.

**2. Issuance of Proof of Insurance/Application Return Notice**

Upon receipt of the application and applicable additional documents, MPIUA will review the application for completion and will determine eligibility and initial insurability of the risk based on the information provided on the application.

If acceptable, the Proof of Insurance Form will be faxed to the producer, and the FAX IC invoice will be mailed to the producer to be remitted with payment.

Coverage is effective on the date the faxed application is received by MPIUA, or a later date if requested.

Proof of Insurance Form will include the policy number assigned, the coverage effective date, the annual MPIUA tentative premium due.

If applicable, Proof of Insurance Form will also indicate the 25% down payment due for the Premium Installment Payment Program and the Proof of Insurance issue date.

If unacceptable, an Application Return Notice will be faxed to the producer. The Application Return Notice will indicate reasons for rejection of the application.

If application is resubmitted within ten days of the Application Return Notice issued date and is acceptable, the Association will issue a Proof of Insurance with the original effective date requested.

**C. New Business – Immediate Coverage Via Mail**

This procedure should be used to procure Immediate Coverage where coverage is to be effective within 45 days. Mail a completed, signed and dated application, any applicable additional documents and payment of premium to:

MPIUA  
Two Center Plaza  
Boston, MA 02108-1904

## **1. Submission of Application**

The Association's New Online Web Application Procedure requires all applicable applications and documents be submitted at the time of the submission: the original application, MPIUA RCT estimator, letter of intent, restriction of coverage endorsement and other documents when applicable.

The payment of the tentative premium must accompany the application. The applicant may be eligible for MPIUA's Premium Installment Program.

## **2. Issuance of Proof of Insurance/Application Return Notice**

Upon receipt of the application and applicable additional documents, MPIUA will review the application for completion and will determine eligibility and initial insurability of the risk based on the information provided on the application.

If acceptable, the Proof of Insurance Form will be faxed to the producer.

Coverage is effective on the date the application is received by MPIUA, or a later date if requested.

Proof of Insurance Form will include the policy number assigned, the coverage effective date and the annual MPIUA tentative premium due.

If unacceptable, the application will be returned to the producer with an Application Return Notice indicating reasons.

If application is resubmitted within ten days of the Application Return Notice issued date and is acceptable, the Association will issue a Proof of Insurance with the original effective date requested.

## **D. Hand Delivered Immediate Coverage**

This procedure should be used to procure immediate coverage where Producer is unable to upload the online web application. Coverage is to be effective same day.

### **1. Submission of Application**

Hand-Deliver a completed, signed and dated application, any additional documents and payment of tentative premium to: MPIUA, Two Center Plaza, Boston, MA 02108.

The payment of tentative premium must accompany the application. The applicant may be eligible for MPIUA's Premium Installment Payment Program.

### **2. Issuance of Policy**

If acceptable, a copy of the Policy Declaration Page is given to the Producer/Insured. Coverage is effective on the date the application is received by MPIUA, or a later date if requested.



## **E. New Business- Non Immediate Coverage**

This procedure takes an average processing time of up to twenty days to receive a response on coverage offering.

### **1. Submission of Application**

Mail or Hand-Deliver a signed and dated application and any applicable additional documents at MPIUA, Two Center Plaza, Boston, MA 02108-1904.

2. The Association will require an Inspection of the property to determine if the property meets the Association's Underwriting Standards. (see pages 45 & 46)

### **3. Inspection of Property**

#### **a. Acceptable**

- (1) The risk is rated and a Notice of Offer/Premium Invoice is mailed to the producer with a copy to the applicant.

#### **b. Unacceptable**

- (1) MPIUA informs the producer and the applicant in writing of the substandard conditions and of the corrective action necessary to make the property insurable, as well as how to request a reinspection of the property.

- (2) If property is found acceptable upon reinspection, follow procedure 3.a.

- (2) If reinspection discloses that the property still fails to meet Reasonable Underwriting Standards, (see pages 46-47) MPIUA will reissue the substandard condition letter. (see page 45)

### **4. Coverage Effective Date**

Coverage is effective on the date the premium is received by MPIUA, or a later date if it was requested on the application.

### **5. Policy Issuance**

All copies of the policy will be mailed to the producer. The producer shall then forward copies of the policy to the insureds and mortgagees.

### **6. Deemer Provision**

Eligible risks submitted through the non-immediate coverage procedure are automatically deemed insured if:

- (1) Through no fault of the applicant, coverage has not been either offered or denied within 20 calendar days after the date the application for coverage was received by the Association.
- (2) The applicant at the time of requesting the inspection or at any time prior to the receipt of a written statement indicating that the property is uninsurable, pays an estimated annual premium or deposit premium, subject to the maximum limits of liability.

Coverage provided under the Deemer Provision shall be at normal rates for the class of property to be insured, exclusive of any surcharge, but shall be subject to an appropriate premium adjustment, if necessary, after the property has been inspected.

## **Proof of Insurance Provision**

The Proof of Insurance issued by MPIUA is evidence of insurance until receipt of the policy by the insured. In the event of a loss, the Proof of Insurance is evidence that the policy is in force.

## **Applications and Additional Documents**

- |               |           |  |
|---------------|-----------|--|
| Homeowners    | ACORD 60- | <ul style="list-style-type: none"><li>- The Association's RCT Express estimator for HO 00 02, 03 and 05. Coverage A amount requested must be at least 80% of the reconstruction cost computed by the MS &amp; B express site.</li><li>- Copy of the Mortgage Agreement if there is a non-institutional mortgage holder.</li><li>- Scheduled Personal Property Application (MUA-UND-PPA 9/97) and supporting documentation, if applicable.</li><li>- Restriction of Coverage Endorsement, if applicable.</li><li>- Other documents upon request of the Association.</li></ul> |
| Dwelling Fire | ACORD 65  | <ul style="list-style-type: none"><li>- The Association's RCT Express estimator for DP 02 &amp; 03. Coverage A amount requested must be at least 80% of the reconstruction cost computed by the RCT express site for DP 00 02 &amp; 03.</li><li>- A Letter of Intent, if building is in process of rehabilitation or construction.</li><li>- Copy of the Mortgage Agreement if there is a non-institutional mortgage holder.</li><li>- Other documents upon request of the Association.</li></ul>  |
| Commercial    | ACORD 67  | <ul style="list-style-type: none"><li>- Mandatory Building Fire Insurance Application (MUA-CA-1) with request for building coverage.</li><li>- A Letter of Intent, if building is in process of rehabilitation.</li></ul>  |

**F. Helpful Hints**

1. **Procedures To Follow To Assure Applications Are Processed Promptly and Efficiently:**
  - a. All Homeowners and Dwelling Fire Applications must be completed via the online web application found through the producer portal. Commercial applications must be typed.
  - b. Have applicant/insured sign the application.
  - c. Producer must sign the application.
  - d. Make sure applicant/insured title is complete (i.e. if Trust, indicate Trustee; if Estate, indicate Personal Representative).
  - e. Provide clear explanation in remarks for positive answers and reason (rsn) for cancelation (cx).
  - f. Letter of Intent signed by the applicant must be submitted if property is under rehabilitation/ construction.
  - g. Include an RCT Cost Estimator Worksheet for HO 00 02, 03 and 05 and DP 00 02 and DP 00 03 applications. Make sure on HO 00 02, 03 and 05, DP 00 02 and DP 00 03 policies that Coverage A on the application is at least 80% of the reconstruction cost.
  - h. If title of property is held in an LLC on a Homeowners Policy, the individual(s) must be listed as named Insured(s) and the LLC must be listed as the Additional Insured. A copy of the LLC agreement must be submitted.

## INSPECTIONS AND REINSPECTIONS

### A. Introduction

When an application is made for placement of insurance with MPIUA, the producer shall inform the applicant/insured of MPIUA's mandatory inspection requirements.

The MPIUA will inform the Insured when an inspection has been ordered by mailing a postcard to the insured informing of an inspection.

The producer will be mailed a weekly listing of Inspections for their insured's.

#### 1. **What is Involved**

Inspections are designed to check underwriting information such as, but not limited to, the following:

- a. Eligibility
- b. Construction
- c. Occupancy
- d. Physical Condition
- e. Maintenance
- f. Housekeeping
- g. Heating
- h. Wiring
- i. Measurement and information to determine the reconstruction cost of the structure.

Photographs of the property will be taken during the inspection process.

### B. Inspections

1. An inspection of the property will be made to determine if the property meets MPIUA's Reasonable Underwriting Standards.
2. All applications require the name of the person who can be contacted in order to arrange an inspection of the interior and exterior of the property. The producer shall verify that all telephone numbers listed on the application are correct and current, as inspection scheduling is initiated by a telephone call from our Field Underwriting Representative to the person named on the application.
3. The Field Underwriting Representative will contact the applicant during normal business hours between 8:00 A.M. – 4:00 P.M. Monday through Friday, to make arrangements to inspect all areas of the building.
4. Inspections will generally be made in the company of the property owner or their representative. The Field Underwriting Representative must be provided full access to the building. An inspection report shall be made for each property inspected.

5. If MPIUA has been unable to complete an inspection of the property a notification will be mailed to the producer and applicant requesting that MPIUA be advised as to how an inspection can be completed during normal business hours of 8:00 A.M. – 4:00 P.M. Monday through Friday.

If MPIUA does not receive a response to this notice within 30 days, a Notice of Cancellation may be issued.

**C. Reinspections**

MPIUA will re-inspect property after every third renewal, or high value inspection as deemed necessary and may make appropriate premium adjustments in accordance with conditions found at the time of said reinspection.

MPIUA will require a reinspection of the property for various reasons, which include but are not limited to, the following:

1. To check progress of property in process of rehabilitation;
2. When insured requests a significant increase in amount of insurance;
3. To verify correction of substandard conditions;
4. If there has been a change in the occupancy of the building.

- C. **Safety Tips** - For safety loss prevention information please visit the insured section of the MPIUA website at : <http://www.mpiua.com/insured/>

## **SUBSTANDARD CONDITION NOTICE**

Subsequent to inspection, if the property does not meet Association's Reasonable Underwriting Standards, MPIUA may issue a Substandard Condition Notice. All Substandard Condition Notices will state the conditions and the corrective action required in order for the property to meet MPIUA's Reasonable Underwriting Standards.

All Substandard Condition Notices will provide the appropriate appeal provisions.

In the event the insured has made the necessary corrections, and in lieu of a re-inspection the insured may submit documentation (photos, receipts, etc.) showing the corrections have been made and you can upload them in the producer's portal at [www.mpiua.com](http://www.mpiua.com). If unable to upload online, send via email to [mpiuainspections@mpiua.com](mailto:mpiuainspections@mpiua.com).

The Association may grant extension requests as long as the substandard conditions are to be corrected within a reasonable time. All extension requests may be uploaded in the producer's portal online at [www.mpiua.com](http://www.mpiua.com).

## UNDERWRITING STANDARDS

- A. Reasonable Underwriting Standards for Basic Property Insurance, including homeowners, shall include, but not be limited to, the following:
1. The right to decline or cancel insurance because of the physical condition of the property, which increases the risk of loss, including its construction, heating, wiring, evidence of unrepaired damage, or general deterioration;
  2. The right to decline or cancel insurance because of the existing use of the property, including abandonment, vacancy, overcrowding, excessive rubbish, or improper storage of flammable materials;
  3. The right to decline or cancel insurance because of other specific characteristics of ownership, condition, occupancy, or maintenance which are violative of law or public policy and result in unreasonable exposure to loss;
  4. The right to decline or cancel insurance on buildings in which any one of the following exists:
    - a. failure to pay real estate taxes on the property after the taxes have been delinquent for one year or more (real estate taxes shall not be deemed to be delinquent for this purpose even if they are due and constitute a lien, so long as a grace period remains under local law during which such taxes may be paid without penalty);
    - b. failure, within the insureds direct and exclusive control, to furnish heat, water, or public lighting for 30 consecutive days or more;
    - c. failure within a reasonable time to correct conditions dangerous to life, health or safety;
  5. The right to decline or cancel insurance on property:
    - a. where, because of physical conditions, there is an outstanding demolition order, or which has been declared unsafe or uninhabitable in accordance with law;
    - b. where fire or other damage exists which increases the risk of further loss to the property and the owner has not taken reasonable steps to protect and secure the property;
    - c. where, following a fire or other damage which increases the risk of further loss, permanent repairs have not been commenced within sixty days after satisfactory adjustment of loss; or
    - d. where fire or other damage which increases the risk of loss exists and the insured has stated or such time has elapsed as clearly indicates that the damage will not be repaired;
  6. The right to decline insurance where the applicant is in arrears in the payment of insurance premiums to the Association, a licensed agent or broker or company for the types of coverage which are offered by the Association;

### **Underwriting Standards (Cont'd)**

7. The right to decline or cancel insurance on any building where 65% or more of the building is unoccupied, unless the building is undergoing rehabilitation and the Association, upon request, has received a schedule for such rehabilitation
  8. The right to decline or cancel insurance on any building which has been abandoned or where there has been removal of fixtures or salvageable material from the building and the owner can give no reasonable explanation for such removal;
  9. The right to decline or cancel insurance where reliable information is secured indicating that the property will be burned for the purpose of collecting insurance on the property;
  10. The right to decline or cancel insurance where the applicant, insured, mortgagee, loss payee, or any other person having a financial interest in the property is convicted of arson or a crime involving a purpose to defraud an insurance company;
  11. The right to decline or cancel insurance where the property has been subject to more than two fires, each loss amounting to at least \$500 or one percent of the insurance in force, whichever is greater, in any 12-month period; or more than three such fires in any 24-month period, provided that the cause of such fires is due to conditions which are the responsibility of the owner-named insured;
  12. The right to decline or cancel insurance for failure to complete or for any misrepresentation in the application required by G.L. c. 175C, Section 98;
  13. The right to decline or cancel insurance for any coastal risk subject to storm surge or flooding from the sea, which is eligible for flood insurance under the National Flood Insurance Program, and which does not have the maximum coverage permitted by such program or the amount of coverage sought from the Association, whichever is less.
- B. Reasonable Underwriting Standards with respect to Section II of homeowners insurance shall include the general standards listed above and in addition, shall include, but not be limited to, the following:
1. Hazardous physical conditions, including but not limited to, unfenced swimming pools;
  2. Presence of vicious animals;
  3. Excessive loss frequency when the applicant has failed to take reasonable steps to correct any situation which has given rise to past losses.



## NAMED STORM – LIMITATIONS

The Massachusetts Property Insurance Underwriting Association, with the approval of the Massachusetts Division of Insurance, will be restricting the binding or writing of the Named Storm Peril during a time when **the National Weather service has issued a Watch or Warning for a Tropical Storm or Hurricane for any point on the United States coast North of Latitude 35.3° North (North Carolina-Virginia State boundary).**

It is important to note that the “Named Storm Coverage-Limitation” endorsements only suspend coverage with regards to “Named Storm” for the period of the storm and for 24 hours after the watch or warning is removed. After such time, the “Named Storm Peril” coverage shall attach and shall remain in effect thereafter in accordance with the policy provisions.

The Association will be attaching the “Named Storm Limitation” endorsements in the following situations:

1. Immediate Coverage Requests – the Association will attach the endorsement on those applications where no prior insurance has been in effect or where prior coverage has been allowed to lapse.

The “Named Storm Limitation” endorsement **will not** be attached when coverage is needed for a new purchase where the passing date falls during the period where a Watch or Warning has been issued.

The endorsement will also not be attached to policies seeking coverage as a result of cancellation or non-renewal by the prior carrier so long as the application is otherwise acceptable to the Association and coverage has not been allowed to lapse.

2. Endorsements – where the request is for an increase in coverage limits, the “Named Storm Limitation” would apply to the amount of increase if the increase is approved.
3. Renewal Application for Continued Coverage received prior to expiration – where an increase in coverage is requested and such increase would become effective during the period of a watch or warning, the “Named Storm Limitation” would apply to the amount of increase if approved.

## PAYMENT OF PREMIUM

### A. Premium Payment General

1. Payments can be made online via an Internet Initiated Transfer of Funds at [mpiua.com](http://mpiua.com).

The online payment feature allows producers, insureds, mortgage companies and other interested parties to pay policy premium by authorizing an Internet Initiated transfer of funds. Any applicable service fee is waived for any invoice paid through the Associations online payment system. Payment must be made for at least the Minimum due on any invoice. Payments made for more than the minimum due will be applied to the remaining balance.

2. MPIUA will accept a premium finance agreement, which has been entered into between a licensed finance company and the applicant, provided that the agreement is properly executed by the applicant granting power of attorney to the finance company. If the request is for immediate coverage, the required premium and the premium finance agreement must be sent to MPIUA along with the Immediate Coverage Application.
3. MPIUA will accept a properly executed Power of Attorney to Cancel Insurance Form (MUA-UND-117), which permits a producer to cancel insurance for non-payment of the premium advanced by the producer to the insured. If the request is for immediate coverage, the required premium and the properly executed Power of Attorney should be sent to MPIUA along with the Immediate Coverage Application.
4. MPIUA will not accept foreign currency or checks drawn off foreign banks.
5. MPIUA will not accept payments for multiple policies on a single check from a mortgage company. The MPIUA will require an individual check for each policy.

### B. Online Premium Payments Requirements

1. Payment can only be made when there is an open invoice.
2. Policy number is required.
3. If you elect to pay for your commercial renewal on the web, you automatically accept the offer for "terrorism coverage" as explained in the notice "terrorism coverage disclosure notice 2".

### C. Premium Payments

1. Payments can be made online via an internet initiated Transfer of Funds. Complete processing instructions can be found online at [www.mpiua.com](http://www.mpiua.com) via the 'Pay your bill' link.
2. By paying your bill by check, you agree to the processing of your payment electronically. If your check is processed electronically, it is possible the funds will be withdrawn on the same day we receive the check. **We are not enrolling the insured in a direct payment program**, Your check is still needed to initiate your payment. We reserve the right to process checks electronically at any re-presentments as well as first presentment.

3. MPIUA will accept cash or check of an applicant, insured, producer, licensed finance company or lending institution, registered or cashier's check of a bank, postal or bank money order or check certified by a bank. **DO NOT SEND CASH THROUGH THE MAIL.** ALL payments must be made without deducting your commission. All payments must be made to the order of Massachusetts Property Insurance Underwriting Association. All payments must be immediately negotiable.
4. Payments can be mailed to MPIUA's Lock Box facility.
5. **If MPIUA has issued a premium invoice, do not send any other correspondence EXCEPT the payment of the premium along with the premium invoice to MPIUA's Lock Box Facility. All other correspondence must be forwarded separately to the MPIUA office.**
6. In order for the premium payment to be promptly credited to insured's account, the instructions below must be followed:
  - a. Make check payable to Massachusetts Property Insurance Underwriting Association. The lock box will not process checks made payable to anyone other than the Massachusetts Property Insurance Underwriting Association
  - b. Mail payment with the original Premium Invoice. Do not send a photocopy of the invoice.
  - c. Mail only one invoice and one check per envelope. Do not pay for multiple invoices with one check.
  - d. Do not send any other correspondence with the invoice and the check.
  - e. Our lock box payment processing facility mailing address is:

*Massachusetts Property Insurance Underwriting Association  
PO Box 981030  
Boston, MA 02298-1030*

Failure to follow any of the above instructions may result in payment not being processed in a timely manner.

## COMMISSIONS

The commission to a licensed agent or broker designated by the applicant is 12%.

If the insured selects MPIUA's Premium Installment Payment Program, no commission will be paid on the service charge.

A commission check, along with a monthly Agency Commission Invoice will be issued on or about the 15<sup>th</sup> of the month following the month in which business has been placed with MPIUA. Commissions will be paid on the full policy premium at policy inception or renewal even if the insured elects the installment option. Any commission balance due MPIUA from a producer, as a result of a cancellation or return premium endorsement, will be assessed on or about the 15<sup>th</sup> of the month following the month in which the transaction has taken place.

The Association requires enrollment in an Electronic Fund transfer method of distributing commissions. By participating in this method, the Association directly deposits the producer's Commission on approximately the 10<sup>th</sup> of each month following the month in which the commission was generated with MPIUA. In order to participate in this, complete the **ACH DEPOSIT AUTHORIZATION** form online at [mpiua.com](http://mpiua.com).

The Association also requires enrollment in Electronic Commission Statements. By participating in this method, the Association will electronically send the agency the commission statement on the last day of each month. In order to participate in this, complete the **ELECTRONIC COMMISSION STATEMENT** form online at [mpiua.com](http://mpiua.com).

The Association has joined IVANS to offer the ability to download daily policy extract data update and monthly Commission information. In order to participate in this, refer to the **IVANS Download** form online at [mpiua.com](http://mpiua.com)

## PREMIUM INSTALLMENT PAYMENT PROGRAM

### A. **Eligibility**

1. The Premium Installment Payment Program applies to all lines of business;
2. The Premium Installment Payment Program is available to Homeowners, Dwelling and Commercial insureds;
3. The minimum annual premium eligible for the Premium Installment Payment Program is \$100;
4. **Dwelling Fire and Commercial policyholders who were issued two or more notices of cancellation by the Association for non-payment of premium during a policy period will not be eligible for the Installment plan whether the policy is being rewritten or renewed.**
5. Payments made by Mortgagees and/or Finance Companies will not be eligible for the Premium Installment Payment Program.

### B. **Payment of Premium**

If the insured selects the Premium Installment Payment Program, a minimum of 25% of the total annual premium will be due. The remaining balance will be billed in five installments due in 50 days, 100 days, 150 days, 200 days and 250 days from the policy inception date. Installment bills will be mailed directly to the insured approximately 23 days prior to the due date.

The initial minimum 25% down payment of the required total annual premium must accompany one of the following:

1. Fax Immediate Coverage Premium Invoice; or
2. The Premium Invoice issued under the Renewal Procedure; or
3. A mailed or hand-delivered application for Immediate Coverage; or
4. The Premium Invoice issued under the Non-Immediate Coverage New Business Procedure.

Installment bills will be sent directly to the insured along with a return envelope in which the Premium Invoice is to be returned along with payment. The insured must pay the minimum amount due online at [www.mpiua.com](http://www.mpiua.com) or by mail, but will be allowed to pay any amount between the minimum due and the annual policy premium. Payment of more than the minimum amount due will reduce the future installment payments.

MPIUA will not accept one check to pay for multiple invoices. No other correspondence should be sent along with the installment payment.

C. **Endorsements**

1. Additional Premium Endorsement

After the initial down payment, any additional premium resulting from an endorsement will be added equally to any remaining installments. If no installment payments remain, the total additional premium will be due within 30 days of the Endorsement Premium Invoice issue date.

2. Return Premium Endorsement

If an endorsement results in a return premium that is less than the amount due on the remaining installments, the return premium will reduce future installment payments. If the return premium is greater than the remaining installments due, the return premium will be applied to the outstanding balance and a check will be issued for the remaining balance and sent to the producer. If no installment payments remain, a return premium check will be issued. If installments are still due, anticipated return premiums should not be deducted from the next minimum payment. This could result in an underpayment necessitating a notice of cancellation.

D. **Non-Payment of Installment Premium Invoice**

If installment premium payment is not received by the due date, MPIUA will issue a Notice of Cancellation for non-payment of premium. Policyholders who were issued two or more notices of cancellation by the Association for non-payment of premium during a policy period will not be eligible for the Installment plan whether the policy is being rewritten or renewed.

E. **Underpayments**

Underpayments of \$10 or less on installment payments will be accepted and the difference will be added to the next billing cycle. Underpayments of greater than \$10 will be applied to the outstanding balance and a cancellation notice will be issued for non-payment of premium. Upon renewal, a cancellation will be initiated if any balances are not paid.

Underpayments of \$10 or less on installment payments will be accepted and the difference will be added to the next billing cycle. Underpayments of greater than \$10 will be applied to the outstanding balance and a cancellation notice will be issued for non-payment of premium.

F. **Service Charge**

A service charge up to \$4.00 will be added to each of the last three installment bills and included in the minimum amount due. If the annual premium is paid at inception, no service charge is imposed on the insured. Service Charges can be avoided by paying the premium online at **[www.mpiua.com](http://www.mpiua.com)**.

Service Charge Schedule

Annual Premium	Service Charge Per Installment
\$100 - \$299	\$2.00
\$300 and above	\$4.00

## POLICY CHANGES (ENDORSEMENTS)

Endorsement requests must be made online in the producer's portal at [www.mpiua.com](http://www.mpiua.com) on a policy level basis. If the endorsement link is not available the request may be faxed to (800) 796-2230

Requests for policy changes may be made on Associations forms. All Forms are available at [www.mpiua.com](http://www.mpiua.com).

Changes in coverage will be effective only upon approval by MPIUA. Approved changes shall become effective as of the date the request is received by MPIUA unless a later date is requested.

**No producer has or shall have any authority to bind MPIUA in any manner.**

### A. **Additional Premium Endorsement**

1. On policies not written under the Premium Installment Payment Program, whenever an endorsement results in an additional premium, MPIUA will issue to the producer an Amended Declaration. An Additional Premium Invoice will be mailed to the insured. The additional premium will be due within 30 days of the endorsement issue date.
2. On policies written under Premium Installment Payment Program – see page 53, paragraph C.1.

### B. **Return Premium Endorsement**

1. On policies not written under the Premium Installment Payment Program, whenever an endorsement results in a return premium, MPIUA will issue to the producer an Amended Declaration. A return premium check will be mailed to the producer, made payable to the insured, within 30 days after the endorsement issue date. On policies financed by a licensed finance company a return premium check is made payable and mailed to the finance company.
2. On policies written under Premium Installment Payment Program – see page 53, paragraph C.2.

### C. **Instruction For Some Policy Changes**

#### 1. **Increase in Amount of Insurance**

Requests for increases must have an explanation under “remarks” indicating reasons for increase and must include sufficient documentation to justify the increase.

- Homeowner Policies- Up to date RCT Cost Estimator to support Increased Coverage Amount.
- Dwelling Fire- If amount of Coverage is increased by 25% or more, a CA-1 application is required on tenant occupied dwellings. On DP-2 and DP-3 policies, an RCT Cost Estimator to support increased coverage amount.

- Commercial Fire- If amount of Coverage is increased by 25% or more, a CA-1 application is required. Also provide reason for increase on endorsement request.

For an endorsement increasing the amount of insurance, please refer to the “Named Storm Limitation” endorsement that could apply to your policy.

## 2. **Decrease in the Amount of Insurance**

Requests for decreases in the amount of insurance will be effective the date the request is received, unless a different date is indicated on the request. The effective date may not be more than ten days prior to the date the request is received by MPIUA. All decreases and/or Coverage deletion require the insured’s signature.

## 3. **Change of Mortgage Holders and Loss Payees**

a. Mortgage Changes on Homeowners Policies can be made online through the Producer Portal at [www.mpiua.com](http://www.mpiua.com). Detailed instructions for this procedure are available online at [www.mpiua.com](http://www.mpiua.com).

b. MPIUA does not require release statements from institutional mortgage holders when either transferring or deleting mortgage holders from the policy.

Exception: Mandatory Building Fire Insurance Application (MUA-CA-1) is required when Mortgage Holders are being changed or added to a Commercial Fire Policy which has building coverage, as well as Dwelling Fire Policies that provide coverage for tenant-occupied buildings.

c. Requests for an addition of a non-institutional mortgage holder must be accompanied by a copy of the mortgage agreement.

## 4. **Assignment of Interest (Change of Ownership)**

Requests by the insured to assign interest in the policy to another must be accompanied by Application for Assignment or Transfer of Policy Form (MUA-RIA-ATP) and Transfer of Ownership Form (MUA-RIA-UND-88). Submit Mandatory Building Fire Insurance Application (MUA-CA-1) when applicable. MPIUA suggests that the prior policy be cancelled, and rewritten under a new policy by submitting a new application for placement of coverage under the New Business Immediate Coverage procedure.

## 5. **Change the Producer on a Policy**

Transfer of Producer is not allowed by Endorsement. The New Producer must apply for coverage under the Immediate Coverage Fax Procedure.



## 6. Insured Signature Requirements

- Reduction in Coverage Amounts
- Change in Mailing Address
- Deletion of Coverage
- Addition or Deletion of a Named Insured
- Material Change to the Policy
- Dwelling Liability

## RENEWAL OF MPIUA POLICIES

### A. Procedures

MPIUA automatically renews policies.

1. Approximately 45 days prior to the expiration date of a policy, MPIUA will mail to the producer and the Insured a Renewal Premium Invoice along with Renewal Policy Declarations Certificate. The Renewal Policy Declarations Certificate reflects the current coverages and forms. On most HO 00 02, 3 and 5 policies Renewal Policy Declarations Certificate will include an inflationary increase on Section I coverages to be effective as of the inception date of the renewal policy.

The Renewal Premium Invoice includes a tear-off portion, which constitutes the remittance portion of the documents. The tear-off portion of the invoice shows the premium due and the minimum due amounts as well as the due date. The premium due amount is the total annual premium and the due date is the expiration date of the policy. For policies eligible for MPIUA's Installment Plan, the minimum due amount equals 25% of the premium due. For policies ineligible for the Installment Plan, the minimum due amount is the same as the premium due amount.

3. To renew insurance, the insured must pay the minimum due, premium due or any amount in between to the Association. Payments may be made on-line at [www.mpiua.com](http://www.mpiua.com), by mail or at the Association's office located at Two Center Plaza, Boston, MA 02108.
4. The tear-off portion of the Renewal Offer/Premium Invoice, with the payment of premium, must be received by MPIUA no later than six days after the policy expiration date/due date to avoid a Legal Notice of Cancellation. Renewal payments received after the six-day grace period will cause Policy to go into cancellation.
5. Any changes to the Renewal Policy may only be made by submitting a faxed endorsement request to MPIUA. To make the changes effective as of the effective date of the Renewal Policy, the endorsement request must be received by MPIUA on or before the effective date of the Renewal Policy.

## **Renewal Policy Declarations Certificate**

The Association will issue a Renewal Policy Declarations Certificate for all Homeowners, Dwelling Fire and Commercial Lines renewal policies, in lieu of issuing a Policy Declarations page with all policy forms and endorsements. The Renewal Policy Declarations Certificate will be mailed only with the forms and endorsements that have been added or amended from prior policies. These forms and endorsements will be noted on the certificate with an asterisk (\*). All other forms and endorsements that have not changed will be made part of the renewal policy by reference. The Association will issue a new Policy Declarations page with all forms and endorsements every five years from the previous issuance of a Policy Declarations page. Also, a new Policy Declarations page with all forms and endorsements will be issued whenever the Association introduces an entirely new edition of a policy program for a line of business.

## CANCELLATIONS

Cancellations will be effective the day such request is received by MPIUA or on an earlier date with proper supporting documentation (i.e. replacement policy).

All cancellations will be on a pro-rata basis.

### A. **Insured Request**

The insured must either return the original policy at the time cancellation is requested or submit a properly executed Lost Policy Release. Also, Releases must be secured from any non-institutional mortgage holder or loss payee.

Cancellation requests should be made online in the producer's portal at [www.mpiua.com](http://www.mpiua.com). If the cancellation link is not available, the request may be faxed to (800) 796-2230.

Reason for cancellation must be provided on all insured requested cancellation requests.

### B. **Finance Company Request**

If a Premium Finance Agreement, authorized by an insured to cancel the insurance for non-payment of premium to the finance company has been filed with MPIUA, the first request for cancellation and subsequent reinstatement from a licensed finance company will be processed. On policies financed by a licensed finance company a return premium check is made payable and mailed to the finance company. If a second request for cancellation is made, it will be processed, however, no subsequent reinstatement will be made unless said request specifies that the account has been paid in full for the current policy term.

### C. **Producer Request**

If a Power of Attorney to Cancel Insurance Form authorized by an insured to cancel insurance for non-payment of premium to the producer has been filed with MPIUA, the request for cancellation will be processed and any return premium will be made payable to the producer.

### D. **Cancellations Initiated by MPIUA**

MPIUA shall give a minimum 30 days notice prior to any cancellation of any risk eligible under the Plan, except in the following cases:

1. owner or occupant incendiarism;
2. material misrepresentation;
3. non-payment of premium;

## **Cancellations Cont'd**

### **E. Return Premiums**

1. Return premiums will be made payable to the insured and mailed to the producer.
2. All return premiums are issued without deducting commission.
3. Return premiums will be paid by MPIUA to a licensed finance company provided that we are furnished with a copy of the finance agreement, properly executed by the insured, granting power of attorney to the finance company.
4. Return premiums will be paid by MPIUA to a producer for non-payment of premium advanced to the insured by the producer if we are provided with a properly executed Power of Attorney to Cancel Insurance.

### **F. Earned Premiums**

On cancellation, if an earned premium is still owed to MPIUA, an Earned Premium Invoice will be issued to the insured. A copy of the invoice will also be mailed to the producer. The earned premium is due within 30 days after the Earned Premium Invoice issue date. If the earned premium is not paid by the due date, MPIUA will initiate collection proceedings.

- G. All Notices of Cancellation issued by MPIUA will provide the appropriate appeal provisions.  
(See Page 61)

## **NON-RENEWAL NOTICE**

If the policy so provides, the Association will give written notice to the insured of its intent not to renew or reissue a policy providing protection against loss by fire to a dwelling or contents thereto at least 45 days prior to expiration of the policy. The notice shall state the specific reasons for such decision and shall be sent or delivered to the named insured at the address shown in the policy, the insurance agent or broker who negotiated the issuance of the policy and to the mortgagee(s) if applicable. The notice shall contain or be accompanied by a statement explaining that the insured has a right of appeal as provided in G.L.c 175C, Section 7.

## **APPEAL PROVISIONS**

Any applicant for insurance and any person insured under the program may appeal to the Board of Directors of the Massachusetts Property Insurance Underwriting Association, Two Center Plaza, Boston, MA 02108-1904 within fifteen (15) days after any ruling, action, or decision of the Association. Any decision of the Board of Directors may be further appealed to the Commissioner of Insurance within ten (10) days of the Board's decision.

Orders of the Commissioner shall be subject to the judicial review pursuant to the provisions of the G.L.c. 175C, Section 7.

## CLAIMS

It is a principal objective of MPIUA to provide a claims service of excellence to its policyholders.

### A. Procedures

1. Claims should be reported promptly either directly, online at [www.mpiua.com](http://www.mpiua.com), by telephone or facsimile to MPIUA at its Boston office at Two Center Plaza, Boston, MA 02108.

24 Hour Toll Free Fax Number 1-(800)-851-8424  
Telephone Number (617) 723-3800 EXT 5600  
Toll Free Telephone number 1-(800)-851-8978 EXT 5600

#### **Do not assign an adjuster.**

When a claim is reported via fax, the standard "ACORD" Loss Report form or its equivalent should be completed with all the pertinent information.

2. The Claims Department will assign an adjuster immediately and acknowledge to the producer and policy holder in writing all claims that are reported. This acknowledgement includes information such as the insured's name, policy number, MPIUA claim number, and adjuster's name and telephone number.
3. MPIUA Claims Department will assign all losses received. Adjusters are not authorized to accept claims for MPIUA losses from any other source.
4. If the claim is an emergency and the claim occurred after our regular business hours of 8:00 A.M. to 4:00 P.M., on a weekend or holiday, please call 1-(800) 851-8978.

Follow the prompter and you will be connected to our 24-hour answering service. At that time, the first notice of loss will be taken and an adjuster will be assigned. The adjuster will contact the insured or their representative to schedule an appointment to see the damages as the emergency circumstances dictate.