

## MASSACHUSETTS PROPERTY INSURANCE UNDERWRITING ASSOCIATION

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July 30, 2018

To: All Massachusetts Licensed Producers (Agents, Brokers and Special Agents)

Re: <u>Homeowners Insurance Clearinghouse</u>

The MPIUA Board of Directors (Board), in order to promote the vitality of the Massachusetts Homeowners Insurance Market, has undertaken a significant initiative to depopulate MPIUA.

To this end, the Board has authorized the creation of a Clearinghouse to assist in facilitating the depopulation effort. The enclosed overview outlines the basic flow of the Clearinghouse.

In order for an insurance company to participate in the Clearinghouse, the Company must be an admitted carrier, licensed to write Homeowners Insurance in Massachusetts and must sign a Clearinghouse Agreement containing the terms and conditions under which MPIUA will provide the information to the Company.

The information provided to the Company does not include any Personal Identifiable Information, but does include certain information about the insured and the property to assist the Member Company in determining whether to offer Homeowners Insurance, through the policy's listed Producer, to an existing MPIUA policyholder.

The Clearinghouse Agreement and procedure recognizes the Producer's ownership of the renewal rights in the policy. The Clearinghouse incorporates the producer's ownership into the procedures by permitting a Member Company to participate only if the Company first has a contractual relationship with the producer under an Agency Agreement or a Limited Servicing Agreement. Further, any offer must be made through the insurance producer listed on the MPIUA policy. Additionally, the Company may contact the listed Producer to obtain more information on a risk it is interested in insuring.

The MPIUA and its Member Companies appreciate your cooperation in this endeavor. Should you have any questions or concerns, please contact John Cantalupa at 617-733-4053 or email <a href="mailto:jcantalupa@mpiua.com">jcantalupa@mpiua.com</a>.

Very truly yours

John A. Cantalypa

Vice President and Chief Underwriting Officer

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Enclosure



## Insurance Clearinghouse **MPIUA Homeowners**





## Clearinghouse-Basic Flow

- MPIUA informs all Member Companies of Clearinghouse existence and instructions on how to participate
  - Clearinghouse Agreement provided to Company
- Company returns signed Agreement to MPIUA
- MPIUA generates "Clearinghouse list" with current in force underwriting data including named Insured and Producer
- List contains active Homeowners Policies (Forms HO 2, 3&5) with an inception date of 12/31/2017 or earlier
- Clearinghouse list posted on a Secure FTP website (SFTP)
- Participating Company downloads list with password provided by MPIUA
- Participating Company Applies its Underwriting Criteria
- The Producer is the owner of renewal rights
- · Company must have a relationship with the producer (Agency Agreement or Limited Servicing Agreement)
  - Producer provides information to Participating Company, including, if requested, inspection reports.
- Producer reviews offer(s) with Insured
- Decision whether to accept offer of Participating Company made between Producer and Insured
- MPIUA notified of acceptance by submission of "Request to Cancel Policy'