

HOUSE No. 3783

The Commonwealth of Massachusetts

PRESENTED BY:

Robert A. DeLeo

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to flood insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Robert A. DeLeo</i>	<i>19th Suffolk</i>
<i>Martha Coakley</i>	<i>(Attorney General) One Ashburton Place</i>
<i>David T. Vieira</i>	<i>3rd Barnstable</i>
<i>Robert L. Hedlund</i>	<i>Plymouth and Norfolk</i>
<i>Viriato Manuel deMacedo</i>	<i>1st Plymouth</i>
<i>Timothy R. Madden</i>	<i>Barnstable, Dukes and Nantucket</i>
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>
<i>Katherine M. Clark</i>	<i>Fifth Middlesex</i>
<i>James M. Cantwell</i>	<i>4th Plymouth</i>
<i>Bruce J. Ayers</i>	<i>1st Norfolk</i>
<i>Garrett J. Bradley</i>	<i>3rd Plymouth</i>

HOUSE No. 3783

By Mr. DeLeo of Winthrop, a petition (subject to Joint Rule 12) of Robert A. DeLeo, Martha Coakley (Attorney General) and others relative to the requirement of residential property owners to purchase or pay for flood insurance. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to flood insurance.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 183 of the General Laws, as appearing in the 2012 Official
2 Edition, is hereby amended by inserting after section 68 the following section:-

3 Section 69. No creditor, as defined in section 35B of chapter 244, shall require in a
4 mortgage, note or otherwise, a purchaser or owner of residential property to purchase or pay for
5 flood insurance on the property: (i) at a coverage amount that exceeds the outstanding mortgage
6 thereon; (ii) that includes coverage for contents; or (iii) that includes a deductible less than
7 \$5,000. In each instance where a creditor requires in a mortgage, note, or otherwise, a purchaser
8 or owner of a residential property to purchase or pay for flood insurance on said property, the
9 creditor shall provide notice to the purchaser or owner of the residential property at the time the
10 purchaser or owner of the residential property is notified of the need to purchase or pay for flood
11 insurance that states the following in clear and conspicuous print: ‘Please note that the flood
12 insurance we are requiring you to purchase will only protect your creditor/lender’s interest in
13 your property. It may not be sufficient to pay for many needed repairs after a flood and may not
14 compensate you for your losses in the property due to the flood. If you wish to protect your
15 home or investment, you may wish to purchase more flood insurance than the amount we are
16 requiring you to buy.’

17 SECTION 2. This act shall be effective upon passage.