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June 10, 2024

Martha A. Driscoll  
Senior Regulatory Counsel  
Electric Insurance Company  
75 Sam Fonzo Drive  
Beverly, MA 01915

***Re: No Action Letter Request of May 22, 2024***

Dear Ms. Driscoll:

I am in receipt of Electric Insurance Company's ("Electric") request for a No Action Letter from the Missouri Department of Commerce and Insurance ("Department"), dated May 22, 2024. In that letter, Electric "requests from the Department a waiver of the application of recent revisions to 20 CSR 500-1.100." I write in response to this request.

The recent revisions to 20 CSR 500-1.100 relate to information that must be included on a cancellation or non-renewal notice of a standard fire policy. They require insurers sending a cancellation or non-renewal notice to an insured to include the name, address, and telephone number for the insured's producer. This requirement is outlined in paragraph 20 CSR 500-1.100(3)(A)2. and becomes effective on July 1, 2024.

In its letter, Electric states it is in the process of withdrawing all lines of business in Missouri, which is the reason it is sending non-renewal notices to policyholders. Such information is included in the non-renewal notice. Electric states it will have no policies in effect in the state of Missouri after the end of calendar year 2024. Electric asserts it would be unduly burdensome and financially unsound to make changes necessary to comply with the recent changes to 20 CSR 500-1.100.

Electric notified the Department of its plans to nonrenew all personal lines and excess liability business in Missouri effective January 1, 2024 by way of a SERFF filing (SERFF Tracking Number ELEC-133876292) made on November 13, 2023. In that filing, Electric reported it had 4,304 homeowners insurance policyholders<sup>1</sup> in Missouri who will be impacted by the nonrenewals. Prior to the most recent revisions to 20 CSR 500-1.100, the

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<sup>1</sup> Electric reported it also had 4,282 Auto Policyholders, 895 Personal Lines/ Umbrella Policyholders, and 3 Yacht Policyholders. None of these types of coverage are subject to the provisions of 20 CSR 500-1.100.

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rule required cancellation and nonrenewal notices to include the name, address, and telephone number for the Missouri Property Insurance Placement Facility (the FAIR Plan). The only change that was made to this portion of the rule was the address for the FAIR Plan, which changed due to the relocation of the office. Electric has provided a copy of its notice of non-renewal, which includes the updated address for the FAIR Plan. Therefore, the impacted Missouri policyholders will continue to have a resource for alternative coverage.

For all of these reasons, I have determined that it is in the best interests of Missouri consumers to issue this no-action letter, waiving Electric's obligation to comply with the revisions to 20 CSR 500-1.100(3)(A)2. that become effective on July 1, 2024. As long as there is no change in any material fact or law or the discovery of a material misrepresentation or omission made by Electric with regard to this request for a no-action letter, the Department will not bring an enforcement action under section 374.046, RSMo against Electric for a violation of 20 CSR 500-1.100(3)(A)2. relating to the non-renewal of the business in effect after July 1, 2024.

Nothing in this no-action letter shall prevent the Department from taking any future enforcement action relating to the financial condition of Electric or in connection with the violation of any other laws aside from those specifically identified herein. Furthermore, if Electric resumes writing standard fire policies after July 1, 2024, the company will need to comply with the notice provisions of the most current version of 20 CSR 500-1.100.

Sincerely,



Chlora Lindley-Myers  
Director