

BY: Finance Committee

AMENDMENTS TO HOUSE BILL NO. 1248

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Insurance” insert “and Homeowner’s Insurance”; in the same line, after “Standards” insert “and Requirements”; in line 8, after “coverage;” insert “prohibiting an insurer, except under certain circumstances, from denying, refusing to renew, or canceling coverage or increasing rates with respect to homeowner’s insurance for certain military personnel because they fail to meet underwriting standards that require continuous coverage; prohibiting an insurer from denying, refusing to renew, or canceling coverage or increasing rates with respect to homeowner’s insurance for certain military personnel because they fail to meet occupancy requirements under certain circumstances;”; in line 10, after “insurance” insert “and underwriting standards and requirements for homeowner’s insurance”; and in line 20, strike “27-501(l)(1)” and substitute “27-501(j)(1) and (l)(1)”.

AMENDMENT NO. 2

On page 2, after line 20, insert:

“(j) (1) In the case of homeowner’s insurance, standards reasonably related to an insurer’s economic and business purpose under subsection (a)(2) of this section, include, but are not limited to, the following and do not require statistical validation:

(i) a material misrepresentation in connection with the application, policy, or presentation of a claim;

(ii) nonpayment of premium;

(iii) a change in the physical condition or contents of the premises or dwelling which results in an increase in a hazard insured against and which, if present and known to the insurer prior to the issuance of the policy, the insurer would not have issued the policy;

(Over)

(iv) conviction:

1. within the preceding 5-year period, of arson; or
2. within the preceding 3-year period, of a crime which directly increases the hazard insured against;

(v) subject to subsection (i) of this section, the claims history of the insured where the insured makes more than three claims in the preceding 3-year period;

(vi) SUBJECT TO SUBSECTION (O)(2) OF THIS SECTION, any other standard approved by the Commissioner that is based on factors that adversely affect the losses or expenses of the insurer under its approved rating plan and for which statistical validation is unavailable or is unduly burdensome to produce; and

(vii) SUBJECT TO SUBSECTION (O)(2) OF THIS SECTION, any other standard set forth in regulations adopted by the Commissioner that is found to be reasonably related to the insurer's economic and business purposes.”.

On page 3, in lines 11, 15, and 18, in each instance, after “(O)” insert “(1)”; and after line 24, insert:

“(2) WITH RESPECT TO HOMEOWNER’S INSURANCE, AN INSURER MAY NOT DENY, REFUSE TO RENEW, OR CANCEL COVERAGE OR INCREASE RATES FOR APPLICANTS OR POLICYHOLDERS WHO ARE MILITARY PERSONNEL RETURNING FROM ACTIVE DUTY OVERSEAS SOLELY BECAUSE THEY FAIL TO MEET:

(I) UNDERWRITING STANDARDS THAT REQUIRE CONTINUOUS COVERAGE UNLESS THE FAILURE TO MAINTAIN CONTINUOUS COVERAGE EXISTED PRIOR TO THE APPLICANT’S OR POLICYHOLDER’S ASSIGNMENT TO ACTIVE DUTY OVERSEAS; OR

(II) OCCUPANCY REQUIREMENTS IF THE MILITARY PERSONNEL CAN DEMONSTRATE THAT REASONABLE STEPS WERE TAKEN TO MAINTAIN AND PROTECT THE PROPERTY DURING THE APPLICANT’S OR POLICYHOLDER’S ASSIGNMENT TO ACTIVE DUTY OVERSEAS.”.