

HOUSE BILL 1203

C4

3lr2087

By: **Delegates Kramer and Simmons**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2013

CHAPTER _____

1 AN ACT concerning

2 **Homeowner's or Renter's Insurance – Underwriting and Policy Exclusions –**
3 **Specific Breed or Size of Dog Notices**

4 FOR the purpose of ~~prohibiting an insurer, with respect to homeowner's or renter's~~
5 ~~insurance, from refusing to underwrite a risk based solely on the specific breed~~
6 ~~or size of a dog owned by an applicant or insured; prohibiting an insurer from~~
7 ~~excluding coverage under a policy of homeowner's or renter's insurance for a~~
8 ~~specific breed or size of a dog owned by an applicant or insured~~ requiring
9 insurers that use breed-specific dog exclusions or underwriting guidelines with
10 respect to homeowner's or renter's insurance to provide certain notices to the
11 applicant or insured under certain circumstances; providing for the application
12 of this Act; and generally relating to underwriting and policy exclusions for dogs
13 under policies of homeowner's or renter's insurance.

14 BY repealing and reenacting, with amendments,
15 Article – Insurance
16 Section 19–205
17 Annotated Code of Maryland
18 (2011 Replacement Volume and 2012 Supplement)

19 BY adding to
20 Article – Insurance
21 Section ~~27–501(e)~~ 19–206.1
22 Annotated Code of Maryland
23 (2011 Replacement Volume and 2012 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 Article – Insurance

4 ~~27-501.~~

5 ~~(R) WITH RESPECT TO HOMEOWNER'S INSURANCE OR RENTER'S~~
6 ~~INSURANCE, AN INSURER MAY NOT:~~

7 ~~(1) REFUSE TO UNDERWRITE A RISK BASED SOLELY ON THE~~
8 ~~SPECIFIC BREED OR SIZE OF A DOG OWNED BY AN APPLICANT OR INSURED; OR~~

9 ~~(2) EXCLUDE COVERAGE UNDER A POLICY OF HOMEOWNER'S~~
10 ~~INSURANCE OR RENTER'S INSURANCE FOR A SPECIFIC BREED OR SIZE OF A DOG~~
11 ~~OWNED BY AN APPLICANT OR INSURED.~~

12 19-205.

13 (a) (1) An insurer shall provide a policyholder with an annual statement
14 that summarizes the coverages and exclusions under the policy issued by the insurer.

15 (2) The insurer's statement shall be clear and specific.

16 (3) The insurer's statement shall state whether the coverages under
17 the policy provide for replacement cost, actual cash value, or other method of loss
18 payment for covered structures and contents.

19 (4) The insurer's statement shall include a disclosure that states:

20 (i) the policyholder should read the policy for complete
21 information on coverages and exclusions;

22 (ii) the policyholder should refer to the declarations page for a
23 listing of coverages purchased;

24 (iii) the policyholder should communicate with the insurance
25 producer or the insurer for any additional information regarding the scope of
26 coverages in the policy;

27 (iv) the statement does not include additional optional coverage
28 purchased by the policyholder, if any;

29 (v) the statement is not part of the policy or contract of
30 insurance and does not create a private right of action;

1 (vi) all rights, duties, and obligations are controlled by the policy
2 and contract of insurance; [and]

3 (vii) the standard homeowner's insurance policy does not cover
4 losses from flood; AND

5 **(VIII) THE POLICY DOES NOT COVER LOSSES CAUSED BY DOG**
6 **BREEDS THAT ARE SPECIFICALLY EXCLUDED UNDER THE POLICY.**

7 (b) The statement under subsection (a) of this section:

8 (1) is not part of the policy or contract of insurance; and

9 (2) does not create a private right of action.

10 (c) The Commissioner may adopt regulations to implement the provisions of
11 this section.

12 **19-206.1.**

13 **(A) (1) AN INSURER THAT SELLS OR NEGOTIATES HOMEOWNER'S**
14 **INSURANCE IN THE STATE SHALL PROVIDE AN APPLICANT, AT THE TIME A**
15 **POLICY OF HOMEOWNER'S INSURANCE IS INITIALLY PURCHASED, WITH A**
16 **WRITTEN NOTICE THAT STATES WHETHER THE INSURER UNDERWRITES**
17 **HOMEOWNER'S INSURANCE ON A BREED-SPECIFIC BASIS OR WHETHER THE**
18 **INSURANCE POLICY HAS A BREED SPECIFIC EXCLUSION.**

19 **(2) IF AN APPLICATION IS MADE BY TELEPHONE, THE INSURER IS**
20 **DEEMED TO BE IN COMPLIANCE WITH THIS SECTION IF, WITHIN 7 CALENDAR**
21 **DAYS AFTER THE DATE OF APPLICATION, THE INSURER SENDS BY CERTIFICATE**
22 **OF MAILING THE NOTICE TO THE APPLICANT OR INSURED.**

23 **(3) IF AN APPLICATION IS MADE USING THE INTERNET, THE**
24 **INSURER IS DEEMED TO BE IN COMPLIANCE WITH THIS SECTION IF THE**
25 **INSURER PROVIDES THE NOTICE TO THE APPLICANT BEFORE THE SUBMISSION**
26 **OF THE APPLICATION.**

27 **(B) THE NOTICE SHALL STATE THE BREEDS THAT THE INSURER DOES**
28 **NOT UNDERWRITE OR THAT THE INSURER EXCLUDES FROM COVERAGE.**

29 **(C) A NOTICE PROVIDED UNDER THIS SECTION DOES NOT CREATE A**
30 **PRIVATE RIGHT OF ACTION.**

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1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
2 policies of homeowner’s insurance or renter’s insurance issued, delivered, or renewed
3 in the State on or after October 1, 2013.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.