

SENATE BILL 1060

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By: **Senator Middleton**

Introduced and read first time: February 20, 2014

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance – Required Notices**

3 FOR the purpose of requiring an insurer that issues, sells, or delivers a homeowner's
4 insurance policy, at the time of application and at each renewal, to provide an
5 applicant or a policyholder with a certain written notice; specifying the
6 information that must be included in the notice; requiring the notice to be clear
7 and specific; providing that the notice is not part of the policy or contract of
8 insurance; providing that, notwithstanding the notice, all rights, duties, and
9 obligations are controlled by the policy or contract of insurance; providing that
10 the notice does not create a private right of action; authorizing the Maryland
11 Insurance Commissioner to adopt regulations that prescribe the form that
12 insurers are required to use to provide the notice; authorizing the Commissioner
13 to allow an insurer to use a certain form to provide the required notice under
14 certain circumstances; altering the notice that an insurer that adopts a certain
15 underwriting standard is required to provide to policyholders; altering the
16 notice that an insurer that offers a certain premium discount is required to
17 provide to policyholders; repealing and restating certain provisions of law
18 relating to a certain annual statement that summarizes the coverages and
19 exclusions under a certain policy, a certain notice about losses from flood, a
20 certain notice about policies that do not provide coverage for losses caused by
21 specific breeds or specific mixed breeds of dogs, a certain notice about additional
22 optional coverage available from an insurer, a certain notice about the ability of
23 an insurer to cancel or refuse coverage under certain circumstances, and a
24 certain notice about an anti-concurrent causation clause; providing for the
25 application of this Act; providing for a delayed effective date; and generally
26 relating to notices provided to applicants and policyholders under policies of
27 homeowner's insurance.

28 BY repealing and reenacting, without amendments,
29 Article – Insurance
30 Section 19–202

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2011 Replacement Volume and 2013 Supplement)

3 BY repealing
4 Article – Insurance
5 Section 19–205, 19–206, 19–206.1, 19–207, 19–214, and 19–215
6 Annotated Code of Maryland
7 (2011 Replacement Volume and 2013 Supplement)

8 BY adding to
9 Article – Insurance
10 Section 19–205
11 Annotated Code of Maryland
12 (2011 Replacement Volume and 2013 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 19–209 and 19–210
16 Annotated Code of Maryland
17 (2011 Replacement Volume and 2013 Supplement)

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

20 **Article – Insurance**

21 19–202.

22 (a) An insurer that issues, sells, or delivers a homeowner’s insurance policy
23 shall at time of application and renewal offer in writing to provide coverage for loss
24 that:

25 (1) is caused by or results from water that backs up through sewers or
26 drains; and

27 (2) is not caused by the negligence of the insured.

28 (b) If an application or renewal is made by telephone, the insurer is deemed
29 to be in compliance with subsection (a) of this section if, within 7 calendar days after
30 the date of application or renewal, the insurer sends by certificate of mailing the offer
31 to the applicant or insured.

32 (c) If an application or renewal is made using the Internet, the insurer is
33 deemed to be in compliance with subsection (a) of this section if the insurer provides
34 the offer to the applicant or insured prior to submission of the application or renewal.

35 [19–205.

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

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

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

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

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

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

12 (iii) the policyholder should communicate with the insurance
13 producer or the insurer for any additional information regarding the scope of
14 coverages in the policy;

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

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

19 (vi) all rights, duties, and obligations are controlled by the policy
20 and contract of insurance; and

21 (vii) the standard homeowner's insurance policy does not cover
22 losses from flood.

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

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

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

26 (c) The Commissioner may adopt regulations to implement the provisions of
27 this section.]

28 **19-205.**

1 **(A) AN INSURER THAT ISSUES, SELLS, OR DELIVERS A POLICY OF**
2 **HOMEOWNER’S INSURANCE, AT THE TIME OF APPLICATION AND AT EACH**
3 **RENEWAL, SHALL PROVIDE AN APPLICANT OR A POLICYHOLDER WITH A**
4 **WRITTEN NOTICE THAT:**

5 **(1) PROVIDES THE OFFER OF COVERAGE REQUIRED BY § 19-202**
6 **OF THIS SUBTITLE;**

7 **(2) SUMMARIZES THE COVERAGE AND EXCLUSIONS UNDER THE**
8 **POLICY TO BE ISSUED OR RENEWED BY THE INSURER;**

9 **(3) INDICATES WHETHER THE COVERAGES UNDER THE POLICY**
10 **PROVIDE FOR REPLACEMENT COST, ACTUAL CASH VALUE, OR ANOTHER**
11 **METHOD OF LOSS PAYMENT FOR COVERED STRUCTURES AND CONTENTS;**

12 **(4) STATES THAT A STANDARD POLICY OF HOMEOWNER’S**
13 **INSURANCE DOES NOT COVER LOSSES FROM FLOOD;**

14 **(5) STATES THAT FLOOD INSURANCE MAY BE AVAILABLE**
15 **THROUGH THE NATIONAL FLOOD INSURANCE PROGRAM OR OTHER SOURCES;**

16 **(6) INCLUDES CONTACT INFORMATION FOR THE NATIONAL**
17 **FLOOD INSURANCE PROGRAM;**

18 **(7) ADVISES THE APPLICANT OR POLICYHOLDER:**

19 **(I) TO CONFIRM THE NEED FOR FLOOD INSURANCE WITH**
20 **THE NATIONAL FLOOD INSURANCE PROGRAM OR THE APPLICANT’S OR**
21 **POLICYHOLDER’S MORTGAGE LENDER;**

22 **(II) TO CONTACT THE NATIONAL FLOOD INSURANCE**
23 **PROGRAM, THE APPLICANT’S OR POLICYHOLDER’S INSURER, OR THE**
24 **APPLICANT’S OR POLICYHOLDER’S INSURANCE PRODUCER FOR INFORMATION**
25 **ABOUT FLOOD INSURANCE;**

26 **(III) THAT FLOOD INSURANCE MAY BE AVAILABLE FOR**
27 **COVERED STRUCTURES AND THEIR CONTENTS;**

28 **(IV) THAT A CLAIM UNDER A FLOOD INSURANCE POLICY MAY**
29 **BE ADJUSTED AND PAID ON A DIFFERENT BASIS THAN A CLAIM UNDER A POLICY**
30 **OF HOMEOWNER’S INSURANCE; AND**

1 **(V) THAT A SEPARATE APPLICATION MUST BE COMPLETED**
2 **TO PURCHASE FLOOD INSURANCE;**

3 **(8) IF THE INSURER DOES NOT PROVIDE COVERAGE FOR LOSSES**
4 **CAUSED BY SPECIFIC BREEDS OR SPECIFIC MIXED BREEDS OF DOGS:**

5 **(I) STATES THAT THE POLICY DOES NOT PROVIDE**
6 **COVERAGE FOR LOSSES CAUSED BY SPECIFIC BREEDS OR SPECIFIC MIXED**
7 **BREEDS OF DOGS; AND**

8 **(II) IDENTIFIES THE SPECIFIC BREEDS OR SPECIFIC MIXED**
9 **BREEDS OF DOGS FOR WHICH THE POLICY DOES NOT PROVIDE COVERAGE;**

10 **(9) LISTS ALL ADDITIONAL OPTIONAL COVERAGE AVAILABLE**
11 **FROM THE INSURER;**

12 **(10) INCLUDES THE FOLLOWING NOTICE:**

13 **“YOUR STANDARD HOMEOWNER’S INSURANCE POLICY DOES NOT COVER**
14 **ALL RISKS. YOU MAY NEED TO OBTAIN ADDITIONAL INSURANCE TO COVER LOSS**
15 **OR DAMAGE TO YOUR HOME, PROPERTY, AND THE CONTENTS OF YOUR HOME OR**
16 **TO COVER RISKS RELATED TO BUSINESS OR PERSONAL ACTIVITIES ON YOUR**
17 **PROPERTY.**

18 **THIS STATEMENT PROVIDES A LIST OF THE TYPES OF ADDITIONAL**
19 **INSURANCE COVERAGE THAT ARE AVAILABLE. CONTACT YOUR INSURANCE**
20 **COMPANY, INSURANCE PRODUCER, OR INSURANCE AGENT TO DISCUSS THESE**
21 **ADDITIONAL COVERAGES.”;**

22 **(11) PROVIDES THE NOTICE REQUIRED BY § 19-209 OF THIS**
23 **SUBTITLE;**

24 **(12) PROVIDES THE NOTICE REQUIRED BY § 19-210 OF THIS**
25 **SUBTITLE;**

26 **(13) STATES THAT IN ADDITION TO THE OTHER ALLOWABLE**
27 **REASONS FOR CANCELLATION OF OR REFUSAL TO RENEW COVERAGE UNDER**
28 **STATE LAW:**

29 **(I) THE INSURER MAY CANCEL OR REFUSE TO RENEW**
30 **COVERAGE ON THE BASIS OF THE NUMBER OF CLAIMS MADE BY THE**
31 **POLICYHOLDER WITHIN THE PRECEDING 3-YEAR PERIOD; AND**

1 **(II) THE INSURER MAY CANCEL OR REFUSE TO RENEW**
2 **COVERAGE ON THE BASIS OF:**

3 **1. THREE OR MORE WEATHER-RELATED CLAIMS**
4 **MADE WITHIN THE PRECEDING 3-YEAR PERIOD;**

5 **2. ONE OR MORE WEATHER-RELATED CLAIMS MADE**
6 **WITHIN THE PRECEDING 3-YEAR PERIOD IF THE INSURER HAS PROVIDED**
7 **WRITTEN NOTICE TO THE INSURED FOR REASONABLE OR CUSTOMARY REPAIRS**
8 **OR REPLACEMENT SPECIFIC TO THE INSURED'S PREMISES OR DWELLING THAT:**

9 **A. THE INSURED FAILED TO MAKE; AND**

10 **B. IF MADE, WOULD HAVE PREVENTED THE LOSS**
11 **FOR WHICH A CLAIM WAS MADE; AND**

12 **3. A CHANGE IN THE PHYSICAL CONDITION OR**
13 **CONTENTS OF THE PREMISES THAT:**

14 **A. INCREASES THE HAZARD INSURED AGAINST; AND**

15 **B. IF PRESENT AND KNOWN TO THE INSURER**
16 **BEFORE THE ISSUANCE OF THE POLICY, WOULD HAVE CAUSED THE INSURER TO**
17 **REFUSE TO ISSUE THE POLICY;**

18 **(14) IF THE POLICY CONTAINS AN ANTI-CONCURRENT CAUSATION**
19 **CLAUSE, DESCRIBES THE ANTI-CONCURRENT CAUSATION CLAUSE;**

20 **(15) STATES THAT COVERAGE FOR LOSSES CAUSED BY WATER**
21 **MAIN BREAKS MAY NOT BE COVERED UNDER THE POLICY;**

22 **(16) STATES THAT THE APPLICANT OR POLICYHOLDER SHOULD**
23 **READ THE POLICY FOR COMPLETE INFORMATION ON COVERAGES AND**
24 **EXCLUSIONS;**

25 **(17) STATES THAT THE APPLICANT OR POLICYHOLDER SHOULD**
26 **REFER TO THE DECLARATIONS PAGE FOR A LISTING OF COVERAGES**
27 **PURCHASED;**

28 **(18) STATES THAT THE APPLICANT OR POLICYHOLDER SHOULD**
29 **COMMUNICATE WITH THE APPLICANT'S OR POLICYHOLDER'S INSURER OR**
30 **INSURANCE PRODUCER FOR ANY ADDITIONAL INFORMATION REGARDING THE**
31 **SCOPE OF COVERAGES IN THE POLICY; AND**

1 **(19) STATES THAT THE NOTICES REQUIRED BY ITEMS (2) AND (3)**
2 **OF THIS SUBSECTION DO NOT INCLUDE ADDITIONAL OPTIONAL COVERAGE**
3 **PURCHASED BY THE APPLICANT OR POLICYHOLDER.**

4 **(B) (1) THE NOTICE REQUIRED UNDER SUBSECTION (A) OF THIS**
5 **SECTION:**

6 **(I) SHALL BE CLEAR AND SPECIFIC; AND**

7 **(II) IS NOT PART OF THE POLICY OR CONTRACT OF**
8 **INSURANCE.**

9 **(2) NOTWITHSTANDING THE NOTICE REQUIRED UNDER**
10 **SUBSECTION (A) OF THIS SECTION, ALL RIGHTS, DUTIES, AND OBLIGATIONS ARE**
11 **CONTROLLED BY THE POLICY OR CONTRACT OF INSURANCE.**

12 **(C) THE NOTICE REQUIRED UNDER SUBSECTION (A) OF SECTION DOES**
13 **NOT CREATE A PRIVATE RIGHT OF ACTION.**

14 **(D) (1) THE COMMISSIONER MAY ADOPT REGULATIONS TO**
15 **PRESCRIBE THE FORM THAT INSURERS ARE REQUIRED TO USE TO PROVIDE THE**
16 **NOTICE REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.**

17 **(2) THE COMMISSIONER MAY ALLOW AN INSURER TO USE A FORM**
18 **OTHER THAN THE FORM ADOPTED BY REGULATION UNDER PARAGRAPH (1) OF**
19 **THIS SUBSECTION IF THE COMMISSIONER APPROVES THE FORM THE INSURER**
20 **PROPOSES TO USE PRIOR TO ITS USE IN THE STATE.**

21 [19–206.

22 (a) (1) An insurer that sells or negotiates homeowner's insurance in the
23 State shall provide an applicant, at the time a policy of homeowner's insurance is
24 initially purchased, with a written notice that states that a standard homeowner's
25 insurance policy does not cover losses from flood.

26 (2) If an application is made by telephone, the insurer is deemed to be
27 in compliance with this section if, within 7 calendar days after the date of application,
28 the insurer sends by certificate of mailing the notice to the applicant or insured.

29 (3) If an application is made using the Internet, the insurer is deemed
30 to be in compliance with this section if the insurer provides the notice to the applicant
31 prior to the submission of the application.

32 (b) The notice shall:

1 (1) state that flood insurance may be available through the National
2 Flood Insurance Program or other sources;

3 (2) provide the applicant with the contact information for the National
4 Flood Insurance Program;

5 (3) advise the applicant to confirm the need for flood insurance with
6 the National Flood Insurance Program or the applicant's mortgage lender;

7 (4) advise the applicant to contact the National Flood Insurance
8 Program, the applicant's insurer, or the applicant's insurance producer for information
9 about flood insurance;

10 (5) advise the applicant that flood insurance may be available for
11 covered structures and their contents;

12 (6) advise the applicant that a claim under a flood insurance policy
13 may be adjusted and paid on a different basis than a claim under a homeowner's
14 insurance policy; and

15 (7) advise the applicant that a separate application must be completed
16 to purchase flood insurance.

17 (c) A notice required to be sent by certificate of mailing under this section
18 may be sent with the statement required under § 19–207 of this subtitle.

19 (d) A notice provided under this section does not create a private right of
20 action.]

21 [19–206.1.

22 (a) This section applies to an insurer that offers a homeowner's insurance or
23 renter's insurance policy in the State that does not provide coverage for losses caused
24 by specific breeds or specific mixed breeds of dogs.

25 (b) At the time of application for or issuance of a policy of homeowner's
26 insurance or renter's insurance, and at each renewal of a policy of homeowner's
27 insurance or renter's insurance, an insurer subject to this section shall provide to an
28 applicant or an insured a written notice that:

29 (1) states that the policy does not provide coverage for losses caused by
30 specific breeds or specific mixed breeds of dogs; and

31 (2) identifies the specific breeds or specific mixed breeds of dogs for
32 which the policy does not provide coverage.

1 (c) An insurer subject to this section may provide the notice required under
2 subsection (b) of this section in the annual statement required under § 19–205 of this
3 subtitle.]

4 [19–207.

5 (a) (1) An insurer that sells or negotiates homeowner’s insurance in the
6 State shall provide an applicant, at the time of application for homeowner’s insurance,
7 with a written statement that lists all additional optional coverage available from the
8 insurer to the applicant.

9 (2) If an application is made by telephone, the insurer is deemed to be
10 in compliance with this section if, within 7 calendar days after the date of application,
11 the insurer sends by certificate of mailing the statement to the applicant or insured.

12 (3) If an application is made using the Internet, the insurer is deemed
13 to be in compliance with this section if the insurer provides the statement to the
14 applicant prior to submission of the application.

15 (b) The statement shall:

16 (1) be on a separate form;

17 (2) be titled, in at least 12 point type, “Additional Optional Coverage
18 Not Included in the Standard Homeowner’s Insurance Policy”;

19 (3) contain the following disclosure in at least 10 point type:

20 “Your standard homeowner’s insurance policy does not cover all risks. You may
21 need to obtain additional insurance to cover loss or damage to your home, property,
22 and the contents of your home or to cover risks related to business or personal
23 activities on your property.

24 This statement provides a list of the types of additional insurance coverage that
25 are available. Contact your insurance company, insurance producer, or insurance
26 agent to discuss these additional coverages.”; and

27 (4) contain a list of additional optional coverage.

28 (c) A statement required to be sent by certificate of mailing under this
29 section may be sent with the notice required under § 19–206 of this subtitle.

30 (d) A statement provided under this section does not create a private right of
31 action.]

32 19–209.

1 (a) (1) An insurer that issues a policy of homeowner’s insurance may not
2 adopt an underwriting standard that requires a deductible that exceeds 5% of the
3 “Coverage A – Dwelling Limit” of the policy in the case of a hurricane or other storm,
4 unless:

5 (i) the insurer has filed the underwriting standard for approval
6 by the Commissioner; and

7 (ii) the Commissioner has approved the underwriting standard
8 in writing.

9 (2) The filing required by paragraph (1) of this subsection shall:

10 (i) be made at least 60 days before the insurer proposes to
11 implement the underwriting standard in the State; and

12 (ii) include any information required by the Commissioner,
13 including:

14 1. a copy of the underwriting standard the insurer
15 proposes to implement;

16 2. the data relied on by the insurer in developing the
17 underwriting standard; and

18 3. the date on which the insurer intends to implement
19 the underwriting standard.

20 (3) An underwriting standard subject to this subsection may not take
21 effect until 60 days after it is filed with the Commissioner.

22 (4) During the initial 60–day waiting period, the Commissioner may
23 extend the waiting period for an additional period, not to exceed 60 days, by written
24 notice to the insurer that the Commissioner needs additional time for consideration of
25 the filing.

26 (5) A filing is deemed approved unless disapproved by the
27 Commissioner during the waiting period or any extension of the waiting period.

28 (6) If the Commissioner finds that compliance with paragraph (3) or
29 (4) of this subsection would result in impairment of the insurer or a significant
30 financial loss to the insurer, the Commissioner may allow an insurer to implement its
31 underwriting standard establishing a deductible at the percentage indicated in the
32 filing within 60 days after the filing of the underwriting standard.

33 (7) An underwriting standard subject to this subsection shall comply
34 with all applicable laws.

1 (b) If an insurer has adopted an underwriting standard that requires a
2 deductible equal to a percentage of the “Coverage A – Dwelling Limit” of the policy in
3 the case of a hurricane or other storm, the deductible may only be applicable
4 beginning at the time the National Hurricane Center of the National Weather Service
5 issues a hurricane warning for any part of the State where the insured’s home is
6 located and ending 24 hours following the termination of the last hurricane warning
7 issued for any part of the State in which the insured’s home is located.

8 (c) (1) An insurer that has adopted an underwriting standard that
9 requires a deductible equal to a percentage of the “Coverage A – Dwelling Limit” of the
10 policy in the case of a hurricane or other storm shall provide a policyholder with [an
11 annual statement] **A NOTICE, AS REQUIRED UNDER § 19–205 OF THIS SUBTITLE,**
12 explaining the manner in which the deductible is applied.

13 (2) The insurer shall send a copy of the form used to provide the notice
14 required under paragraph (1) of this subsection to the Commissioner prior to its use.

15 (d) The Commissioner may adopt regulations to implement the provisions of
16 this section.

17 19–210.

18 (a) An insurer shall offer at least one actuarially justified premium discount
19 on a policy of homeowner’s insurance to a policyholder who submits proof of
20 improvements made to the insured premises as a means of mitigating loss from a
21 hurricane or other storm.

22 (b) Means of mitigating loss include:

23 (1) the installation of one or more of the following:

24 (i) hurricane shutters;

25 (ii) secondary water barrier;

26 (iii) reinforced roof coverings;

27 (iv) braced gable ends;

28 (v) reinforced roof to wall connections;

29 (vi) tie downs; and

30 (vii) reinforced opening protections;

31 (2) repair or replacement of:

1 (i) exterior doors, including garage doors;

2 (ii) hurricane resistant trusses, studs, and other structural
3 components; and

4 (iii) repair or replacement of manufactured home piers, anchors,
5 and tie down straps; and

6 (3) any mitigation effort that materially mitigates loss from a
7 hurricane or other storm otherwise covered under the policy.

8 (c) Improvements made to the insured premises under this section shall be
9 inspected by a contractor licensed by the Department of Labor, Licensing, and
10 Regulation.

11 (d) (1) An insurer shall be allowed to inspect the improvements that are
12 the basis of a premium discount under this section.

13 (2) (i) Verification of improvements that are the basis of a
14 premium discount under this section rests with the insurer.

15 (ii) An insurer may accept an inspection certificate issued by a
16 governmental agency as verification of improvements that are the basis of a premium
17 discount under this section.

18 (e) A premium discount offered under this section shall:

19 (1) comply with the provisions of Title 11 of this article; and

20 (2) only be offered for improvements identified by the Commissioner
21 as qualified mitigation actions made to the insured premises that may materially
22 mitigate loss from a hurricane or other storm otherwise covered under the policy.

23 (f) (1) An insurer that offers a premium discount under this section shall
24 provide a policyholder with an annual statement regarding the availability of the
25 discount and the method of applying for the discount.

26 (2) The notice required under paragraph (1) of this subsection [may]
27 **SHALL** be sent [with the statement] **AS** required under § 19–205 of this subtitle.

28 (g) The Commissioner may adopt regulations to implement the provisions of
29 this section.

30 [19–214.

1 (a) An insurer that offers homeowner's insurance in the State shall provide a
2 written notice to the insured at the time of application or issuance and at each renewal
3 of the policy that states, in substantially similar language, that, in addition to the
4 other allowable reasons for cancellation or refusal to renew under Maryland law:

5 (1) the insurer may cancel or refuse to renew coverage on the basis of
6 the number of claims made by the policyholder within the preceding 3-year period;
7 and

8 (2) the insurer may cancel or refuse to renew coverage on the basis of:

9 (i) three or more weather-related claims made within the
10 preceding 3-year period;

11 (ii) one or more weather-related claims made within the
12 preceding 3-year period if the insurer has provided written notice to the insured for
13 reasonable or customary repairs or replacement specific to the insured's premises or
14 dwelling that:

15 1. the insured failed to make; and

16 2. if made, would have prevented the loss for which a
17 claim was made; and

18 (iii) a change in the physical condition or contents of the
19 premises that:

20 1. increases the hazard insured against; and

21 2. if present and known to the insurer before the
22 issuance of the policy, would have caused the insurer to refuse to issue the policy.

23 (b) In order to support cancellation or refusal to renew under subsection
24 (a)(2)(ii) of this section, the written notice:

25 (1) must refer to specific conditions known to the insurer concerning
26 the insured's specific premises or dwelling; and

27 (2) may not be a general notification of repairs or replacements
28 common to that type of premises or dwelling.]

29 [19-215.

30 (a) An insurer that issues a policy of homeowner's insurance in the State
31 that contains an anti-concurrent causation (ACC) clause shall provide a policyholder
32 each year with a notice that:

- 1 (1) is clear and specific;
- 2 (2) describes the ACC clause;
- 3 (3) informs the insured to read the policy for complete information on
4 the exclusions; and
- 5 (4) states that the insured should communicate with the insurance
6 producer or the insurer for additional information regarding the scope of the
7 exclusions.
- 8 (b) The notice under subsection (a) of this section:
- 9 (1) is not part of the policy or contract of insurance; and
- 10 (2) does not create a private right of action.
- 11 (c) The Commissioner may adopt regulations to implement this section.]

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
13 policies of homeowner's insurance issued, delivered, or renewed in the State on or after
14 January 1, 2015.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 January 1, 2015.