

Article - Insurance

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§19-704.

- (a) This section applies only to lead hazard coverage for affected properties.
- (b) This section does not affect coverage for property damage or any other form of coverage provided in a policy or insurance contract for an affected property.
- (c) Notwithstanding subsection (g) of this section, whenever an authorized insurer issues or renews a policy for an affected property, the authorized insurer may include in the policy a lead hazard coverage exclusion.
- (d) If a policy issued or renewed by an authorized insurer on or after February 24, 1996, for an affected property contains a lead hazard coverage exclusion, the authorized insurer shall waive the exclusion to the extent of a qualified offer made or to be made under Title 6, Subtitle 8, Part V of the Environment Article:
 - (1) if the owner of the affected property complies with Title 6, Subtitle 8, Part III of the Environment Article;
 - (2) if at the election of the insured, and whether or not a change in occupancy has occurred, the affected property:
 - (i) passes the test for lead-contaminated dust under § 6-816 of the Environment Article; or
 - (ii) has undergone the lead hazard reduction treatments and complies with the risk reduction standard under § 6-815(a)(2) of the Environment Article; and
 - (3) if the insured submits to the authorized insurer a current verified report completed by an accredited inspector under § 6-818 of the Environment Article certifying that the affected property complies with the standards set forth in item (2) of this subsection.
- (e) Instead of waiving a lead hazard coverage exclusion as required by subsection (d) of this section, after receiving approval from the Commissioner, an authorized insurer may offer an alternative form of coverage for a qualified offer made or to be made under Title 6, Subtitle 8, Part V of the Environment Article.
- (f) An authorized insurer may exclude lead hazard coverage for an affected property in excess of the amount of a qualified offer made or to be made under Title 6, Subtitle 8, Part V of the Environment Article.
- (g) (1) An authorized insurer may cancel or nonrenew lead hazard coverage or reimpose a lead hazard coverage exclusion in a policy for an affected property only if:

- (i) the insured fails to:
 - 1. pay the applicable premium;
 - 2. provide the authorized insurer or the authorized insurer's designee reasonable access to the affected property to inspect for the presence or condition of lead;
 - 3. comply with the terms or conditions of the policy; or
 - 4. perform lead hazard reduction treatments; or

(ii) the affected property fails to comply or maintain compliance with the risk reduction standard under § 6-815(a)(2) of the Environment Article.

(2) (i) An authorized insurer may cancel or nonrenew lead hazard coverage or reimpose a lead hazard coverage exclusion under paragraph (1)(i)4 or (ii) of this subsection only if the authorized insurer:

- 1. mails written notice to the insured that the authorized insurer intends to cancel or nonrenew the coverage or to reimpose the exclusion; and
- 2. provides an opportunity to the insured to correct the violation within 30 days after the notice is mailed.

(ii) Coverage is automatically reinstated if the violation is corrected within 30 days after the notice is mailed.

(iii) Within 45 days after mailing a notice of cancellation or nonrenewal of coverage or reimposition of an exclusion under this paragraph, the authorized insurer shall send a copy of the notice to the Secretary of the Environment or a designee of the Secretary, and include the results of any inspection of the affected property.

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