
By: Delegates Love, M. Burns, and Rzepkowski

Rules suspended

Introduced and read first time: March 12, 1997

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 Homeowner's Insurance - Covered Property Loss - Repair or Replacement Costs

3 FOR the purpose of requiring a policy or contract of homeowner's insurance that
4 contains a certain provision that the insurer will pay the cost to repair or replace the
5 damaged part of a building or other structure as settlement of a claim for covered
6 property loss may not be issued unless the policy or contract also provides that the
7 insurer will pay certain other costs associated with the damage or loss; requiring the
8 Maryland Insurance Commissioner to adopt regulations to implement the
9 provisions of this Act; and generally relating to repair or replacement costs for a
10 covered property loss in homeowner's insurance.

11 BY adding to

12 Article - Insurance
13 Section 19-204
14 Annotated Code of Maryland
15 (1996 Volume)
16 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

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

19 **Article - Insurance**

20 19-204.

21 A POLICY OR CONTRACT OF HOMEOWNER'S INSURANCE THAT CONTAINS A
22 PROVISION THAT THE INSURER WILL PAY THE COST TO REPAIR OR REPLACE THE
23 DAMAGED PART OF A BUILDING OR OTHER STRUCTURE AS SETTLEMENT OF A
24 CLAIM FOR COVERED PROPERTY LOSS MAY NOT BE ISSUED UNLESS THE POLICY OR
25 CONTRACT ALSO PROVIDES THAT THE INSURER WILL PAY COSTS ASSOCIATED WITH
26 THE DAMAGE OR LOSS THAT WILL CAUSE THE FAIR MARKET VALUE OF THE
27 BUILDING OR OTHER STRUCTURE AFTER THE REPAIR OR REPLACEMENT TO BE NO
28 LESS THAN THE FAIR MARKET VALUE BEFORE THE LOSS OR DAMAGE.

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance
30 Commissioner shall adopt regulations to implement the provisions of this Act.

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1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1997.