

BY: Finance Committee

AMENDMENTS TO HOUSE BILL NO. 1236

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, before “Insurance” insert “Homeowner’s”; in the same line, strike “Risks and Classes of Risks -”; in line 4, strike “prohibiting an insurer from canceling a” and substitute “authorizing an insurer to cancel a certain policy of homeowner’s insurance under certain circumstances; and generally relating to the cancellation of a policy of homeowner’s insurance.”; strike beginning with “certain” in line 4 down through “policy” in line 5; strike lines 8 and 9 in their entirety; and strike in their entirety lines 15 through 19, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-501(d)

Annotated Code of Maryland

(1997 Volume and 2001 Supplement)”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 19 through 25, inclusive, and substitute:

“(d) (1) With respect to automobile liability insurance, an insurer may not:

(i) cancel, refuse to renew, or otherwise terminate coverage for an automobile insurance risk because of a claim, traffic violation, or traffic accident that occurred more than 3 years before the effective date of the policy or renewal; or

(ii) refuse to underwrite an automobile insurance risk because of a claim, traffic violation, or traffic accident that occurred more than 3 years before the date of application.

(2) With respect to homeowner's insurance, an insurer may not:

(Over)

(i) cancel, refuse to renew, or otherwise terminate coverage for a homeowner's insurance risk because of a claim that occurred more than 3 years before the effective date of the policy or renewal; or

(ii) refuse to underwrite a homeowner's insurance risk because of a claim that occurred more than 3 years before the date of application.

(3) AN INSURER MAY CANCEL A POLICY OF HOMEOWNER'S INSURANCE UNDER WHICH A ONE-TIME GUARANTEED FULLY REFUNDABLE DEPOSIT IS REQUIRED FOR A STATED AMOUNT OF COVERAGE, IF THE CANCELLATION:

(I) TAKES EFFECT ON THE ANNIVERSARY DATE OF THE INCEPTION OF THE POLICY;

(II) IS NOT BASED ON A CLAIM THAT OCCURRED MORE THAN 3 YEARS BEFORE THE ANNIVERSARY DATE OF THE POLICY ON WHICH THE PROPOSED CANCELLATION WOULD TAKE EFFECT; AND

(III) IS OTHERWISE IN ACCORDANCE WITH THIS SUBTITLE.

[(3)] (4) [Paragraphs (1) and (2) of this subsection do] THIS SUBSECTION DOES not apply to a claim involving conviction of the insured or applicant for fraud or arson.”;

and in line 27, strike “July” and substitute “October”.