

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1071

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Trueschler” and substitute “, Trueschler, Burns, Conroy, D. Davis, Feldman, Fulton, Haddaway, Harrison, Impallaria, Krebs, Krysiak, McHale, Moe, and Vaughn”.

AMENDMENT NO. 2

On page 1, in line 2, strike “Policyholder Bill of Rights” and substitute “- Offer and Summary of Coverage”; in line 6, strike “without further inquiry”; strike beginning with “requiring” in line 7 down through “regulations;” in line 12 and substitute “providing that the statement does not create a legal obligation on the part of an insurer; requiring certain insurance producers to provide certain applicants with a certain notice regarding flood insurance; requiring the notice to be in a certain form; requiring the notice to include certain information; requiring certain insurance producers to mail certain information to certain applicants; requiring certain insurance producers to provide certain itemized statements of certain coverages available from an insurer under certain circumstances; requiring certain information to be included in the statement;”; in line 14, strike “a certain term” and substitute “certain terms; providing for a delayed effective date”; in lines 14 and 15, strike “the Homeowner’s Insurance Policyholder Bill of Rights” and substitute “homeowner’s insurance”; and in line 18, after “19-204” insert “through 19-206”.

AMENDMENT NO. 3

On page 2, in line 3, strike “WITHOUT MAKING FURTHER INQUIRY”; after line 6, insert:

“(4) THE INSURER’S STATEMENT SHALL INCLUDE A DISCLOSURE THAT STATES THAT:

(I) THE POLICYHOLDER SHOULD READ THE POLICY FOR

(Over)

COMPLETE INFORMATION ON COVERAGES AND EXCLUSIONS:

(II) THE POLICYHOLDER SHOULD REFER TO THE DECLARATIONS PAGE FOR A SUMMARY OF COVERAGES PURCHASED;

(III) THE POLICYHOLDER SHOULD COMMUNICATE WITH THE INSURANCE PRODUCER OR THE INSURER FOR ANY ADDITIONAL INFORMATION REGARDING THE SCOPE OF COVERAGES IN THE POLICY;

(IV) THE STATEMENT DOES NOT INCLUDE ADD-ON COVERAGES PURCHASED BY THE POLICYHOLDER, IF ANY; AND

(V) THE STATEMENT IS NOT PART OF THE POLICY AND DOES NOT CREATE ANY LEGAL OBLIGATION ON THE PART OF THE INSURER.

(C) THE STATEMENT UNDER SUBSECTION (B) OF THIS SECTION DOES NOT CREATE ANY LEGAL OBLIGATION ON THE PART OF AN INSURER.”.

AMENDMENT NO. 4

On pages 2 and 3, strike in their entirety the lines beginning with line 7 on page 2 through line 8 on page 3, inclusive, and substitute:

“19-205.

(A) AN INSURANCE PRODUCER THAT SELLS, SOLICITS, OR NEGOTIATES HOMEOWNER’S INSURANCE IN THE STATE SHALL PROVIDE THE APPLICANT, AT THE TIME A POLICY IS INITIALLY PURCHASED, WITH A WRITTEN NOTICE THAT STATES THAT A STANDARD HOMEOWNER’S INSURANCE POLICY DOES NOT COVER LOSSES FROM FLOOD.

(B) THE NOTICE SHALL STATE THAT FLOOD INSURANCE IS AVAILABLE THROUGH THE NATIONAL FLOOD INSURANCE PROGRAM.

(C) (1) IF THE INSURANCE PRODUCER FROM WHOM AN APPLICANT PROCURES HOMEOWNER’S INSURANCE SELLS FLOOD INSURANCE, THE INSURANCE PRODUCER SHALL OFFER TO SELL FLOOD INSURANCE TO THE APPLICANT.

(2) AN OFFER TO SELL FLOOD INSURANCE SHALL:

(I) BE IN WRITING;

(II) STATE THAT THE COST OF FLOOD INSURANCE IS NOT PART OF THE PREMIUM FOR THE STANDARD HOMEOWNER'S INSURANCE POLICY; AND

(III) STATE THE TYPE AND COST OF FLOOD INSURANCE COVERAGE TO BE SOLD, INCLUDING:

1. COVERAGE FOR STRUCTURE; AND

2. COVERAGE FOR CONTENTS.

(D) (1) AN INSURANCE PRODUCER SHALL DELIVER TO THE APPLICANT THE OFFER TO SELL FLOOD INSURANCE.

(2) THE OFFER TO SELL FLOOD INSURANCE SHALL INCLUDE A SPACE TO INDICATE THE APPLICANT'S ACCEPTANCE OR REJECTION OF FLOOD INSURANCE.

(E) IF THE INSURANCE PRODUCER FROM WHOM THE APPLICANT PROCURES HOMEOWNER'S INSURANCE DOES NOT SELL FLOOD INSURANCE, THE INSURANCE PRODUCER SHALL FURNISH THE APPLICANT WITH THE CONTACT INFORMATION FOR THE NATIONAL FLOOD INSURANCE PROGRAM.

19-206.

(A) IN THIS SECTION, "ADD-ON COVERAGE" MEANS COVERAGES OR SERVICES SOLD IN CONNECTION WITH A STANDARD HOMEOWNER'S INSURANCE POLICY FOR ADDITIONAL COVERAGES OFFERED BY AN INSURER.

(B) AT THE TIME AN INSURANCE PRODUCER INITIALLY SELLS, SOLICITS, OR NEGOTIATES HOMEOWNER'S INSURANCE IN THE STATE, THE INSURANCE PRODUCER SHALL PROVIDE AN APPLICANT WITH AN ITEMIZED STATEMENT THAT LISTS ALL ADD-ON COVERAGE AVAILABLE FROM THE INSURER TO THE APPLICANT.

(Over)

(C) THE STATEMENT SHALL:

(1) BE IN WRITING;

(2) STATE THAT THE COST OF ADD-ON COVERAGE IS NOT PART OF THE PREMIUM FOR THE STANDARD HOMEOWNER'S INSURANCE POLICY;

(3) STATE THE TYPE AND COST OF EACH ADD-ON COVERAGE TO BE SOLD; AND

(4) STATE THAT ADD-ON COVERAGE IS OPTIONAL.

(D) (1) AN INSURANCE PRODUCER SHALL DELIVER TO THE APPLICANT THE ITEMIZED STATEMENT THAT LISTS ALL ADD-ON COVERAGE AVAILABLE FROM THE INSURER.

(2) THE STATEMENT SHALL INCLUDE A SPACE TO INDICATE THE APPLICANT'S ACCEPTANCE OR REJECTION OF THE ADD-ON COVERAGE."

AMENDMENT NO. 5

On page 3, in lines 11 and 13, in each instance, strike "October 1, 2004" and substitute "January 1, 2005".