

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 585

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Policyholder Bill of Rights” and substitute “- Notice Concerning Flood Insurance”; and strike beginning with “policyholders” in line 3 down through “Rights” in line 15 and substitute “applicants with a certain written notice; specifying the contents of the notice; requiring certain insurers, at the time of a certain renewal, to provide certain policyholders with a certain notice; providing that nothing in this Act may be construed to impair or effect the obligation of any insurance contract; and generally relating to a notice concerning flood insurance by homeowner’s insurers”.

AMENDMENT NO. 2

On page 1, after line 24, insert:

“(A) AN INSURER THAT ISSUES OR DELIVERS A HOMEOWNER’S INSURANCE POLICY IN THE STATE SHALL PROVIDE AN 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 ALSO CLEARLY AND CONCISELY STATE IN 10 POINT BOLDFACE TYPE:

(1) THAT THE COST OF FLOOD INSURANCE IS NOT PART OF THE PREMIUM FOR THE STANDARD HOMEOWNER’S INSURANCE POLICY;

(2) THAT FLOOD INSURANCE IS AVAILABLE THROUGH THE NATIONAL FLOOD INSURANCE PROGRAM;

(3) THE APPROPRIATE CONTACT INFORMATION FOR THE NATIONAL

(Over)

FLOOD INSURANCE PROGRAM; AND

(4) IF THE INSURER SELLS FLOOD INSURANCE:

(I) THAT THE APPLICANT MAY PURCHASE FLOOD INSURANCE FROM THE INSURER; AND

(II) THE TYPE AND COST OF FLOOD INSURANCE COVERAGE THAT MAY BE PURCHASED, INCLUDING:

1. COVERAGE FOR STRUCTURE; AND

2. COVERAGE FOR CONTENTS.”.

AMENDMENT NO. 3

On pages 1 and 2, strike beginning with “(A)” in line 25 on page 1 down through “2004.” in line 34 on page 2 and substitute:

“SECTION 2. AND BE IT FURTHER ENACTED, That an insurer that issues or delivers a homeowner’s insurance policy in the State shall, at the time of renewal for each of its policyholders immediately following the effective date of this Act, provide its policyholders who have not purchased flood insurance from the insurer with the notice described in Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That nothing in this Act may be construed to impair or effect the obligation of any insurance contract.”;

and in line 35, strike “3.” and substitute “4.”.