
By: **Senators Stone and Della**

Introduced and read first time: February 2, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance - Notice Concerning Flood Insurance**

3 FOR the purpose of requiring certain insurers to provide certain applicants with a
4 certain written notice; specifying the contents of the notice; requiring certain
5 insurers, at the time of a certain renewal, to provide certain policyholders with
6 a certain notice; providing that nothing in this Act may be construed to impair or
7 affect the obligation of any insurance contract; and generally relating to a notice
8 concerning flood insurance by homeowner's insurers.

9 BY adding to
10 Article - Insurance
11 Section 19-204
12 Annotated Code of Maryland
13 (2002 Replacement Volume and 2004 Supplement)

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

16 **Article - Insurance**

17 19-204.

18 (A) AN INSURER THAT ISSUES OR DELIVERS A HOMEOWNER'S INSURANCE
19 POLICY IN THE STATE SHALL PROVIDE AN APPLICANT, AT THE TIME A POLICY IS
20 INITIALLY PURCHASED, WITH A WRITTEN NOTICE THAT STATES THAT A STANDARD
21 HOMEOWNER'S INSURANCE POLICY DOES NOT COVER LOSSES FROM FLOOD.

22 (B) THE NOTICE SHALL ALSO CLEARLY AND CONCISELY STATE IN 10 POINT
23 BOLDFACE TYPE:

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

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

1 (3) THE APPROPRIATE CONTACT INFORMATION FOR THE NATIONAL
2 FLOOD INSURANCE PROGRAM; AND

3 (4) IF THE INSURER SELLS FLOOD INSURANCE:

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

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

8 1. COVERAGE FOR STRUCTURE; AND

9 2. COVERAGE FOR CONTENTS.

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

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

17 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take
18 effect October 1, 2005.