

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1261
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after “Delegates” insert “Trueschler and Minnick and”; in the same line, strike “Trueschler,”; and in the same line, strike “and Vaughn” and substitute “Vaughn, Burns, Conroy, Doory, Haddaway, Harrison, Krebs, Krysiak, Love, McHale, Parrott, and Taylor”.

AMENDMENT NO. 2

On page 1, in line 2, strike “Offer and”; in the same line, after “Coverage” insert “, Notice Regarding Flood Insurance, and Statement of Additional Optional Coverage”; in line 5, after “exclusions” insert “under a certain policy”; in line 7, after “insurance” insert “and does not create a private right of action; authorizing the Maryland Insurance Commissioner to adopt certain regulations”; in line 9, after “insurance;” insert “providing that if a certain application is made by telephone, an insurer or insurance producer is deemed to be in compliance with certain provisions of this Act if, within a certain period of time, the insurer or insurance producer sends by certificate of mailing a certain notice regarding flood insurance to an applicant or insured; providing that if a certain application is made using the Internet, an insurer or insurance producer is deemed to be in compliance with certain provisions of this Act if the insurer or insurance producer provides a certain notice regarding flood insurance to an applicant at a certain time;”; in the same line, strike “requiring the notice to be in a certain form;”; in line 12, after “action;” insert “authorizing a certain notice required to be sent by certificate of mailing to be sent with a certain statement;”; in line 14, after “statement” insert “listing all additional optional coverage available from the insurer”; strike beginning with “requiring” in line 14 down through “statement;” in line 15; in line 16, strike “or using the Internet”; in line 17, strike “shall” and substitute “is deemed to”; in line 18, strike “law” and substitute “this Act”; in the same line, strike “mails” and substitute “sends by certificate of mailing”; in line 19, after “statement” insert “of additional optional coverage”; strike beginning with “providing” in line 19 down through “insured” in line 25 and substitute “providing that if a certain application is made using the Internet, an insurer or insurance producer is deemed to be in compliance with certain provisions of this Act if the insurer or insurance producer provides a certain”

(Over)

statement of additional optional coverage to an applicant at a certain time"; and in line 26, after "statement;" insert "authorizing a certain statement required to be sent by certificate of mailing to be sent with a certain notice;".

AMENDMENT NO. 3

On page 2, in line 26, after "POLICY" insert "ISSUED BY THE INSURER"; in line 28, after "STATE" insert "WHETHER"; and in the same line, after the second "THE" insert "COVERAGES UNDER THE POLICY PROVIDE FOR REPLACEMENT COST, ACTUAL CASH VALUE, OR OTHER".

On page 3, in line 9, strike the second "AND"; in line 11, after "INSURANCE" insert ";
AND

(VII) THE STANDARD HOMEOWNER'S INSURANCE POLICY DOES NOT COVER LOSSES FROM FLOOD";

in line 12, after "SECTION" insert ";

(A) (1);

and in line 13, after "INSURANCE" insert ";
AND

(2) DOES NOT CREATE A PRIVATE RIGHT OF ACTION.

(C) THE COMMISSIONER MAY ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SECTION".

AMENDMENT NO. 4

On page 3, in line 15, after "(A)" insert "(1)"; after line 19, insert:

"(2) IF AN APPLICATION IS MADE BY TELEPHONE, THE INSURER OR INSURANCE PRODUCER IS DEEMED TO BE IN COMPLIANCE WITH THIS SECTION IF, WITHIN 7 CALENDAR DAYS AFTER THE DATE OF APPLICATION, THE INSURER OR INSURANCE PRODUCER SENDS BY CERTIFICATE OF MAILING THE NOTICE TO THE APPLICANT OR INSURED.

(3) IF AN APPLICATION IS MADE USING THE INTERNET, THE INSURER OR INSURANCE PRODUCER IS DEEMED TO BE IN COMPLIANCE WITH THIS SECTION IF THE INSURER OR INSURANCE PRODUCER PROVIDES THE NOTICE TO THE APPLICANT PRIOR TO THE SUBMISSION OF THE APPLICATION.”;

in line 20, after “SHALL” insert “:

(A) (1)”;

in the same line, strike “IS” and substitute “MAY BE”; and in line 21, strike the period and substitute “OR OTHER SOURCES;

(2) PROVIDE THE APPLICANT WITH THE CONTACT INFORMATION FOR THE NATIONAL FLOOD INSURANCE PROGRAM;

(3) ADVISE THE APPLICANT TO CONFIRM THE NEED FOR FLOOD INSURANCE WITH THE NATIONAL FLOOD INSURANCE PROGRAM OR THE APPLICANT’S MORTGAGE LENDER;

(4) ADVISE THE APPLICANT TO CONTACT THE NATIONAL FLOOD INSURANCE PROGRAM, THE APPLICANT’S INSURER, OR THE APPLICANT’S INSURANCE PRODUCER FOR INFORMATION ABOUT FLOOD INSURANCE;

(5) ADVISE THE APPLICANT THAT FLOOD INSURANCE MAY BE AVAILABLE FOR COVERED STRUCTURES AND THEIR CONTENTS;

(6) ADVISE THE APPLICANT THAT A CLAIM UNDER A FLOOD INSURANCE POLICY MAY BE ADJUSTED AND PAID ON A DIFFERENT BASIS THAN A CLAIM UNDER A HOMEOWNER’S INSURANCE POLICY; AND

(7) ADVISE THE APPLICANT THAT A SEPARATE APPLICATION MUST BE COMPLETED TO PURCHASE FLOOD INSURANCE.”.

(Over)

On pages 3 and 4, strike beginning with “(C)” in line 22 on page 3 down through “PROGRAM.” in line 11 on page 4 and substitute:

“(C) A NOTICE REQUIRED TO BE SENT BY CERTIFICATE OF MAILING UNDER THIS SECTION MAY BE SENT WITH THE STATEMENT REQUIRED UNDER § 19-207 OF THIS ARTICLE.”.

On page 4, in line 12, strike “(F)” and substitute “(D)”.

AMENDMENT NO. 5

On page 4, strike beginning with the first “THE” in line 20 down through “(I)” in line 22; strike beginning with “OR” in line 22 down through “INTERNET” in line 23; in line 24, strike “3 BUSINESS” and substitute “7 CALENDAR”; in line 25, strike “MAILS” and substitute “SENDS BY CERTIFICATE OF MAILING”; strike beginning with “AND” in line 26 down through “INSURED” in line 35; and after line 35, insert:

“(3) IF AN APPLICATION IS MADE USING THE INTERNET, THE INSURER OR INSURANCE PRODUCER IS DEEMED TO BE IN COMPLIANCE WITH THIS SECTION IF THE INSURER OR INSURANCE PRODUCER PROVIDES THE STATEMENT TO THE APPLICANT PRIOR TO SUBMISSION OF THE APPLICATION.”.

On page 5, in line 11, after the semicolon insert “AND”; strike beginning with the semicolon in line 12 down through “AGENTS.” in line 22 and substitute a period; and after line 22, insert:

“(C) A STATEMENT REQUIRED TO BE SENT BY CERTIFICATE OF MAILING UNDER THIS SECTION MAY BE SENT WITH THE NOTICE REQUIRED UNDER § 19-206 OF THIS ARTICLE.”.