

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 790

(Senator Astle)

Finance

Economic Matters

Homeowner's Insurance - Insurance Producers - Notice of Coverage for Flood
Loss - Statement of Additional Optional Coverage

This bill repeals provisions requiring an insurance producer to provide an applicant for homeowner's insurance with specified notices. The bill also specifies that the statement that an insurer must give to an applicant about optional coverage does not give rise to a private cause of action.

The bill applies to personal lines homeowner's insurance policies and contracts issued, delivered, or renewed on or after October 1, 2007.

Fiscal Summary

State Effect: The bill would not materially affect the finances or operations of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Under Chapter 388 of 2006, an insurer or insurance producer must provide an applicant for homeowner's insurance with a notice stating that the standard homeowner's insurance policy does not cover losses from flood. The notice does not

give rise to a private cause of action. An insurer or insurance producer is also required to provide an applicant for homeowner's insurance with a notice regarding additional optional coverage available.

Additional Information

Prior Introductions: None.

Cross File: HB 1106 (Delegate Feldman) – Economic Matters.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2007
ncs/ljm

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