

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

House Bill 1106  
Economic Matters

(Delegate Feldman)

Finance

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

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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.

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**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.

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**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.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 790 (Senator Astle) – Finance.

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

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

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