

HOUSE BILL 405

C4

8lr0048

By: **Chair, Economic Matters Committee (By Request – Departmental – Insurance Administration, Maryland)**

Introduced and read first time: January 28, 2008

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner’s Insurance – Loss from Water and Sewer Backup – Offer of**
3 **Coverage**

4 FOR the purpose of clarifying the time at which an offer of coverage for loss that is
5 caused by or results from certain water backup must be made by certain
6 insurers; requiring an insurer that sells a homeowner’s insurance policy to offer
7 the coverage; requiring the offer to be made in writing; and generally relating to
8 homeowner’s insurance.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 19–202
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2007 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 19–202.

18 An insurer that issues, **SELLS**, or delivers a homeowner’s insurance policy shall
19 **AT TIME OF APPLICATION AND RENEWAL** offer **IN WRITING** to provide coverage for
20 loss that:

21 (1) is caused by or results from water that backs up through sewers or
22 drains; and

23 (2) is not caused by the negligence of the insured.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2008.