

SENATE BILL 971

C4

8lr3436

By: **Senator Stone**

Introduced and read first time: February 29, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance – Assignment of Policy on Sale of Property**

3 FOR the purpose of authorizing the policyholder under a homeowner's insurance
4 policy to assign the policy to the purchaser of the property that is covered by the
5 policy; requiring that an assignment made under this Act be in writing;
6 requiring the purchaser of the property to send a copy of the contract of
7 assignment to the insurer within a certain time after assignment; providing for
8 the application of this Act; and generally relating to homeowner's insurance.

9 BY adding to

10 Article – Insurance

11 Section 19–208

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 **19–208.**

18 (A) (1) **NOTWITHSTANDING ANY PROVISION IN A HOMEOWNER'S**
19 **INSURANCE POLICY THAT PROHIBITS THE ASSIGNMENT OF THE POLICY OR**
20 **OTHERWISE LIMITS THE POLICYHOLDER'S RIGHT TO ASSIGN THE POLICY, THE**
21 **POLICYHOLDER, ON SALE OF THE PROPERTY THAT IS COVERED BY THE POLICY,**
22 **MAY ASSIGN THE POLICY TO THE PURCHASER OF THE PROPERTY.**

23 (2) **AN ASSIGNMENT MADE UNDER THIS SUBSECTION SHALL BE IN**
24 **WRITING.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) WITHIN 30 DAYS AFTER THE ASSIGNMENT OF A HOMEOWNER'S**
2 **INSURANCE POLICY UNDER SUBSECTION(A) OF THIS SECTION, THE PURCHASER**
3 **OF THE PROPERTY THAT IS COVERED BY THE POLICY SHALL SEND A COPY OF**
4 **THE CONTRACT OF ASSIGNMENT TO THE INSURER BY FIRST-CLASS MAIL.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only
6 to homeowner's insurance policies issued, delivered, or renewed in the State on or
7 after the effective date of this Act.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2008.