

Chapter 91

(Senate Bill 647)

AN ACT concerning

Homeowner's, Farmowner's, and Dwelling Insurance Policies – Claims for Additional Payments

FOR the purpose of requiring each policy of homeowner's, farmowner's, or dwelling insurance issued, sold, or delivered in the State that provides certain coverage for a dwelling or personal property to contain a provision that allows an insured to file a claim for certain additional payments for ~~at least~~ not less than a certain period of time; authorizing a certain insurer to require a certain insured to notify the insurer of the intent to repair or replace certain property within a certain period of time; providing for the application of this Act; providing for a delayed effective date; and generally relating to policies of homeowner's, farmowner's, and dwelling insurance.

BY adding to

Article – Insurance

Section 19–213

Annotated Code of Maryland

(2006 Replacement Volume and 2009 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

19–213.

(A) EACH POLICY OF HOMEOWNER'S, FARMOWNER'S, OR DWELLING INSURANCE ISSUED, SOLD, OR DELIVERED IN THE STATE THAT PROVIDES PROPERTY COVERAGE FOR A DWELLING OR PERSONAL PROPERTY ON A REPLACEMENT COST BASIS SHALL CONTAIN A PROVISION THAT ALLOWS AN INSURED TO FILE A CLAIM FOR ~~ADDITIONAL PAYMENTS, ON A REPLACEMENT COST BASIS, FOR THE REPAIR OR REPLACEMENT OF THE DWELLING OR PERSONAL PROPERTY~~ THE DIFFERENCE BETWEEN THE ACTUAL CASH VALUE AND THE REPLACEMENT COST FOR THE COMPLETED REPAIRS OR REPLACEMENT FOR AT LEAST NOT LESS THAN 2 YEARS AFTER PAYMENT OF ACTUAL CASH VALUE THE DATE OF LOSS.

(B) AN INSURER MAY REQUIRE AN INSURED SEEKING ADDITIONAL PAYMENTS ON A REPLACEMENT COST BASIS TO NOTIFY THE INSURER, WITHIN 180 DAYS AFTER THE DATE OF LOSS, OF THE INSURED'S INTENT TO REPAIR OR REPLACE THE DWELLING OR PERSONAL PROPERTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all homeowner's, farmowner's, and dwelling insurance policies issued, sold, delivered, or renewed in the State on or after ~~October 1, 2010~~ January 1, 2011.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2010~~ January 1, 2011.

Approved by the Governor, April 13, 2010.