HOUSE BILL 647

C4 5lr1842

By: Delegates Lafferty, M. Washington, Anderson, Ebersole, Fraser-Hidalgo, and Lisanti

Introduced and read first time: February 12, 2015

Assigned to: Economic Matters

A BILL ENTITLED

2 Joint Insurance Association - Private Insurers - Notice

FOR the purpose of requiring certain insurers that deny, cancel, or nonrenew certain coverage for commercial property insurance or homeowner's insurance to provide notice to certain applicants or insureds of the potential availability of certain insurance coverage through the Joint Insurance Association under a certain provision; providing for the application of this Act; and generally relating to commercial property insurance and homeowner's insurance.

9 BY adding to

10 Article – Insurance

AN ACT concerning

1

11 Section 19–117

12 Annotated Code of Maryland

13 (2011 Replacement Volume and 2014 Supplement)

14 BY repealing and reenacting, without amendments,

15 Article – Insurance

Section 25–406, 27–602(a) and (b), and 27–603(a) and (b)

17 Annotated Code of Maryland

18 (2011 Replacement Volume and 2014 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

20 That the Laws of Maryland read as follows:

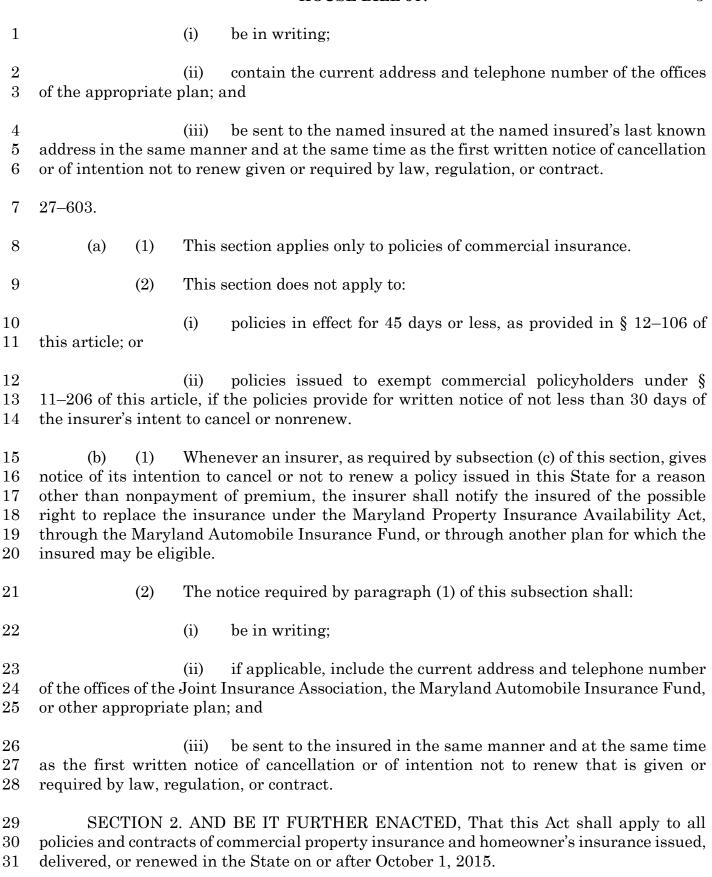
21 Article – Insurance

22 **19–117.**

- 1 (A) THIS SECTION APPLIES TO POLICIES OF COMMERCIAL PROPERTY 2 INSURANCE OR HOMEOWNER'S INSURANCE.
- 3 (B) A PRIVATE INSURER THAT DENIES ALL OR PART OF THE COVERAGE
 4 REQUESTED BY AN APPLICANT FOR A POLICY SUBJECT TO THIS SECTION, OR THAT
 5 CANCELS OR NONRENEWS A POLICY SUBJECT TO THIS SECTION, SHALL PROVIDE
- 6 NOTICE TO THE APPLICANT OR INSURED OF THE AVAILABILITY OF ESSENTIAL
- 7 PROPERTY INSURANCE OR HOMEOWNER'S INSURANCE THROUGH THE JOINT
- 8 Insurance Association under § 25–406 of this article or through
- 9 ANOTHER PLAN FOR WHICH THE APPLICANT OR INSURED MAY BE ELIGIBLE.
- 10 25-406.
- A person with an insurable interest in real or tangible personal property at a fixed
- 12 location may apply to the Association for essential property insurance or homeowner's
- 13 insurance if the person has been:
- 14 (1) unable to obtain essential property insurance or homeowner's
- 15 insurance;
- 16 (2) able to obtain essential property insurance or homeowner's insurance
- only after application under § 11–210 or § 11–311 of this article; or
- 18 (3) able to obtain only partial coverage for the value of the property.
- 19 27–602.

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- 20 (a) (1) This section applies only to policies of:
- 21 (i) personal insurance; and
- 22 (ii) homeowner's insurance under which a onetime guaranteed fully 23 refundable deposit is required for a stated amount of coverage.
- 24 (2) This section does not apply to policies in effect for 45 days or less, as 25 provided in § 12–106 of this article.
- (b) (1) Whenever an insurer, as required by subsection (c) of this section, gives notice of its intention to cancel or not to renew a policy subject to this section issued in the State or before an insurer cancels a policy subject to this section issued in the State for a reason other than nonpayment of premium, the insurer shall notify the insured of the possible right of the insured to replace the insurance under the Maryland Property Insurance Availability Act or through another plan for which the insured may be eligible.
 - (2) The notice required by paragraph (1) of this subsection must:



32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 33 October 1, 2015.