

# HOUSE BILL 641

C4

1lr1137  
CF 1lr1139

---

By: **Delegate Palakovich Carr**

Introduced and read first time: January 22, 2021

Assigned to: Economic Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance – Weather-Related Claims**

3 FOR the purpose of prohibiting an insurer, under certain circumstances, from considering  
4 a claim for a weather-related event for the purpose of canceling or refusing to renew  
5 coverage for homeowner's insurance; and generally relating to homeowner's  
6 insurance.

7 BY repealing and reenacting, with amendments,  
8 Article – Insurance  
9 Section 27-501(i)  
10 Annotated Code of Maryland  
11 (2017 Replacement Volume and 2020 Supplement)

12 BY repealing and reenacting, without amendments,  
13 Article – Insurance  
14 Section 27-501(j)(2)  
15 Annotated Code of Maryland  
16 (2017 Replacement Volume and 2020 Supplement)

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

19 **Article – Insurance**

20 27-501.

21 (i) (1) **(I)** [Except] **SUBJECT TO SUBPARAGRAPH (II) OF THIS**  
22 **PARAGRAPH AND EXCEPT** as provided in paragraph (2) of this subsection, with respect to  
23 homeowner's insurance, an insurer may not cancel or refuse to renew coverage for  
24 homeowner's insurance based on the claims history of an insured for weather-related

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 claims, unless there were three or more weather-related claims within the preceding  
2 3-year period.

3 **(II) AN INSURER MAY NOT CONSIDER A CLAIM FOR A**  
4 **WEATHER-RELATED EVENT FOR THE PURPOSE OF CANCELING OR REFUSING TO**  
5 **RENEW COVERAGE UNDER THIS PARAGRAPH IF THE CLAIM IS:**

6 **1. FOR AN AMOUNT OF LOSS THAT IS LESS THAN THE**  
7 **INSURED'S DEDUCTIBLE UNDER THE POLICY; OR**

8 **2. RESOLVED WITH NO PAYOUT TO THE HOMEOWNER BY**  
9 **THE INSURER.**

10 (2) An insurer may consider claims for weather-related events for the  
11 purpose of canceling or refusing to renew coverage if the insurer provided written notice to  
12 the insured for reasonable or customary repairs or replacement specific to the insured's  
13 premises or dwelling which the insured failed to make and which, if made, would have  
14 prevented the loss for which a claim was made.

15 (j) (2) An insurer is not required to produce statistical validation that  
16 excludes weather-related claims or that makes any distinction between weather-related  
17 claims and nonweather-related claims in order to sustain the insurer's burden of  
18 persuasion under subsection (g) of this section with respect to a cancellation or refusal to  
19 renew for a reason that is not listed in this subsection.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2021.