Article - Insurance

[Previous][Next]

§19–209.

(a) (1) Subject to subsections (b), (c), and (d) of this section, an insurer may issue a policy of homeowner's insurance that includes a deductible that is equal to a percentage of the "Coverage A – Dwelling Limit" of the policy.

(2) The insurer may:

(i) require the deductible described in paragraph (1) of this subsection in a policy of the homeowner's insurance; or

(ii) offer the deductible described in paragraph (1) of this subsection as an option to an applicant or insured.

(b) An insurer that has adopted an underwriting standard that requires a mandatory hurricane deductible equal to a percentage of the "Coverage A – Dwelling Limit" of the policy shall apply the deductible:

(1) only beginning at the time the National Hurricane Center of the National Weather Service issues a hurricane warning for any part of the State and ending 24 hours following the termination of the last hurricane warning issued for any part of the State; and

(2) regardless of where the insured's home is located in the State.

(c) (1) An insurer that issues a policy of homeowner's insurance may not adopt an underwriting standard that requires a deductible that exceeds 5% of the "Coverage A – Dwelling Limit" of the policy in the case of a hurricane unless the insurer has filed the underwriting standard with the Commissioner.

(2) The filing required by paragraph (1) of this subsection shall:

(i) be made at least 60 days before the insurer proposes to implement the underwriting standard in the State; and

(ii) include:

1. a copy of the underwriting standard the insurer intends to implement; and

2. the date on which the insurer intends to implement the underwriting standard.

(3) An underwriting standard subject to this subsection shall comply with all applicable laws.

(d) (1) An insurer that issues a policy of homeowner's insurance that includes a deductible that is equal to a percentage of the "Coverage A – Dwelling Limit" of the policy or has adopted an underwriting standard that requires a mandatory hurricane deductible equal to a percentage of the "Coverage A – Dwelling Limit" of the policy shall provide a policyholder with an annual statement explaining the manner in which the deductible is applied in accordance with § 19–209.1 of this subtitle.

(2) The insurer shall send a copy of the form used to provide the statement required under paragraph (1) of this subsection to the Commissioner prior to its use.

(e) The Commissioner may adopt regulations to implement the provisions of this section.

[Previous][Next]