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House Bill 641
Homeowner's Insurance – Weather-Related Claims

House Economic Matters Committee – Hearing: February 11, 2021

SUPPORT

The People's Insurance Counsel Division (“PICD”) supports House Bill 641 as it is written. Current Maryland law allows an insurer to cancel or refuse to renew a homeowner's insurance policy if there are three or more weather-related claims within a three-year period.

This bill will clarify the definition of a “weather-related claim” as it pertains to the cancellation or nonrenewal of a homeowners insurance policy. This bill creates a statutory change so that if the “claim” amount is less than the policy deductible amount or results in no payout to the homeowner by the insurer, then it may not be considered for purposes of cancellation or nonrenewal of the homeowners policy.

This is a common-sense solution to remove any ambiguity in determining what qualifies as a “weather-related claim.”

For the above reasons and in the interests of Maryland insurance consumers, the PICD supports House Bill 641 and urges a favorable report.

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