

HOUSE BILL 1068

C4

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By: **Delegates Burns, Braveboy, Haddaway-Riccio, Harrison, Hucker, Impallaria, Kramer, W. Miller, Minnick, Olszewski, Schuh, Schulz, and Vaughn**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance – Limitation on Number of Claims Made – Notice**

3 FOR the purpose of requiring certain insurers that issue policies of homeowner's
4 insurance in the State to provide applicants and insureds with a notice that
5 states the number of claims that may be made under a policy of homeowner's
6 insurance before the insurer cancels or refuses to renew the policy; requiring
7 insurers to provide the notice at certain times and in a certain manner;
8 providing that insurers are deemed to be in compliance with the notice
9 requirement under certain circumstances; authorizing a notice required to be
10 sent by certificate of mailing to be sent with a certain other required notice and
11 statement; providing for the application of this Act; and generally relating to
12 notice of the limitation on the number of claims that may be made under
13 policies of homeowner's insurance.

14 BY adding to
15 Article – Insurance
16 Section 19–214
17 Annotated Code of Maryland
18 (2011 Replacement Volume)

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

21 **Article – Insurance**

22 **19–214.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) (1) IF AN INSURER THAT ISSUES POLICIES OF HOMEOWNER'S**
2 **INSURANCE IN THE STATE CONSIDERS CLAIMS HISTORY FOR THE PURPOSE OF**
3 **CANCELLING OR REFUSING TO RENEW COVERAGE, THE INSURER SHALL**
4 **PROVIDE AN APPLICANT OR INSURED WITH A WRITTEN NOTICE THAT STATES**
5 **THE NUMBER OF CLAIMS THAT MAY BE MADE UNDER A POLICY OF**
6 **HOMEOWNER'S INSURANCE BEFORE THE INSURER CANCELS OR REFUSES TO**
7 **RENEW THE POLICY.**

8 **(2) THE INSURER SHALL PROVIDE THE NOTICE REQUIRED UNDER**
9 **PARAGRAPH (1) OF THIS SUBSECTION:**

10 **(I) AT THE TIME OF APPLICATION FOR HOMEOWNER'S**
11 **INSURANCE; AND**

12 **(II) WITH EACH RENEWAL OF THE POLICY OF HOMEOWNER'S**
13 **INSURANCE.**

14 **(B) (1) IF AN APPLICATION FOR HOMEOWNER'S INSURANCE IS MADE**
15 **BY TELEPHONE, THE INSURER IS DEEMED TO BE IN COMPLIANCE WITH**
16 **SUBSECTION (A)(2)(I) OF THIS SECTION IF, WITHIN 7 CALENDAR DAYS AFTER**
17 **THE DATE OF APPLICATION, THE INSURER SENDS BY CERTIFICATE OF MAILING**
18 **THE NOTICE TO THE APPLICANT.**

19 **(2) IF AN APPLICATION FOR HOMEOWNER'S INSURANCE IS MADE**
20 **USING THE INTERNET, THE INSURER IS DEEMED TO BE IN COMPLIANCE WITH**
21 **SUBSECTION (A)(2)(I) OF THIS SECTION IF THE INSURER PROVIDES THE NOTICE**
22 **TO THE APPLICANT PRIOR TO THE SUBMISSION OF THE APPLICATION.**

23 **(C) A NOTICE REQUIRED TO BE SENT BY CERTIFICATE OF MAILING**
24 **UNDER SUBSECTION (B)(1) OF THIS SECTION MAY BE SENT WITH THE NOTICE**
25 **REQUIRED UNDER § 19-206 OF THIS SUBTITLE AND THE STATEMENT REQUIRED**
26 **UNDER § 19-207 OF THIS SUBTITLE.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
28 policies and contracts of homeowner's insurance issued, delivered, or renewed in the
29 State on or after October 1, 2012.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2012.