

HOUSE BILL NO. 515

INTRODUCED BY J. TREBAS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING INSURERS FROM EXCLUDING WATER DAMAGE IN HOME OWNER PROPERTY OR CASUALTY INSURANCE POLICIES; AND PROVIDING MINIMUM COVERAGE AMOUNTS BASED ON INSURED VALUE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Water damage mandatory coverage.** (1) An insurer offering home owner property or casualty insurance policies in this state may not exclude accidental water damage.

(2) An insurer must provide the following minimum water damage insurance coverage in a home owner policy:

- (a) for a property with an insured value of up to \$300,000, a coverage amount of at least \$5,000;
- (b) for a property with an insured value of up to \$600,000, a coverage amount of at least \$10,000;
- (c) for a property with an insured value of more than \$600,000, a coverage amount of at least \$15,000.

(3) (a) Except as provided in subsection (3)(b), this section applies to all types of water damage, including but not limited to surface water and sewer-related damage.

(b) This section does not apply to intentional water damage caused by an insured home owner.

(4) For purposes of this section, "insurance coverage" means flood mitigation coverage that pays for the cleanup and repair of damage caused by water.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 33, chapter 23, part 4, and the provisions of Title 33, chapter 23, part 4, apply to [section 1].

- END -