

# HOUSE BILL 641

C4

1lr1137  
CF SB 580

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By: **Delegate Palakovich Carr**

Introduced and read first time: January 22, 2021

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 25, 2021

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## CHAPTER \_\_\_\_\_

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.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (i) (1) (I) [Except] SUBJECT TO SUBPARAGRAPH (II) OF THIS  
 2 PARAGRAPH AND EXCEPT as provided in paragraph (2) of this subsection, with respect to  
 3 homeowner's insurance, an insurer may not cancel or refuse to renew coverage for  
 4 homeowner's insurance based on the claims history of an insured for weather-related  
 5 claims, unless there were three or more weather-related claims within the preceding  
 6 3-year period.

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

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

12 2. RESOLVED WITH NO PAYOUT TO OR ON BEHALF OF  
 13 THE HOMEOWNER BY THE INSURER.

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

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

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.