

HOUSE BILL 1148

C4

5lr3090

By: **Delegates Wivell, Baker, Hinebaugh, and Valentine**

Introduced and read first time: February 6, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Property and Casualty Insurance – Lapses in Coverage – Prohibition on Denial**

3 FOR the purpose of prohibiting a property and casualty insurer from denying coverage
4 based on a prior lapse in coverage of the applicant under certain circumstances; and
5 generally relating to property and casualty insurance.

6 BY adding to

7 Article – Insurance

8 Section 27–501(u)

9 Annotated Code of Maryland

10 (2017 Replacement Volume and 2024 Supplement)

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

13 **Article – Insurance**

14 27–501.

15 **(U) WITH RESPECT TO PROPERTY AND CASUALTY INSURANCE, AN INSURER**
16 **MAY NOT DENY COVERAGE BASED ON A PRIOR LAPSE IN COVERAGE OF THE**
17 **APPLICANT IF THE LAPSE IN COVERAGE WAS:**

18 **(1) DUE TO THE CHOICE OF THE APPLICANT; AND**

19 **(2) NOT DUE TO LOSSES INCURRED BY OR THE CLAIMS HISTORY OF**
20 **THE APPLICANT.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2025.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

