

# HOUSE BILL 55

C4

0lr1027

(PRE-FILED)

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By: **Delegate Ivey**

Requested: November 13, 2009

Introduced and read first time: January 13, 2010

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance – Coverage for Water Damage**

3 FOR the purpose of altering a certain requirement that certain insurers offer at  
4 certain times coverage for loss that is caused by or results from water backing  
5 up through sewers or drains to specify that the sewers or drains are located  
6 inside or outside the insured's dwelling and are part of the dwelling's sewer or  
7 drainage system; requiring certain insurers to offer at certain times coverage for  
8 loss that is caused by or results from a discharge or release of water from a  
9 water or sewerage system; providing for the application of this Act; and  
10 generally relating to coverage for water damage under homeowner's insurance  
11 policies.

12 BY repealing and reenacting, with amendments,  
13 Article – Insurance  
14 Section 19–202  
15 Annotated Code of Maryland  
16 (2006 Replacement Volume and 2009 Supplement)

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

19 **Article – Insurance**

20 19–202.

21 (a) An insurer that issues, sells, or delivers a homeowner's insurance policy  
22 shall at time of application and renewal offer in writing to provide coverage for loss  
23 that:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (1)   **(I)**   is caused by or results from water that backs up through  
2 sewers or drains **THAT ARE LOCATED INSIDE OR OUTSIDE THE INSURED'S**  
3 **DWELLING AND ARE PART OF THE DWELLING'S SEWER OR DRAINAGE SYSTEM;**  
4 and

5           **[(2)] (II)**   is not caused by the negligence of the insured; **OR**

6           **(2)   IS CAUSED BY OR RESULTS FROM A DISCHARGE OR RELEASE**  
7 **OF WATER FROM A WATER OR SEWERAGE SYSTEM.**

8           (b)   If an application or renewal is made by telephone, the insurer is deemed  
9 to be in compliance with subsection (a) of this section if, within 7 calendar days after  
10 the date of application or renewal, the insurer sends by certificate of mailing the offer  
11 to the applicant or insured.

12          (c)   If an application or renewal is made using the Internet, the insurer is  
13 deemed to be in compliance with subsection (a) of this section if the insurer provides  
14 the offer to the applicant or insured prior to submission of the application or renewal.

15          SECTION 2. AND BE IT FURTHER ENACTED, That this Act applies to all  
16 policies of homeowner's insurance issued, delivered, or renewed in the State on or after  
17 October 1, 2010.

18          SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2010.