

1 **H. B. 2850**

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3 (By Delegates Boggs, Moore, Hamilton and Azinger)

4 [Introduced March 6, 2013; referred to the

5 Committee on Banking and Insurance then the Judiciary.]

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10 A BILL to amend and reenact §33-17A-4 of the Code of West Virginia,
11 1931, as amended, relating to preventing the cancellation and
12 nonrenewal of property homeowners insurance based upon a
13 claim arising from natural causes or upon an inquiry that does
14 not result in a claim.

15 *Be it enacted by the Legislature of West Virginia:*

16 That §33-17A-4 of the Code of West Virginia, 1931, as amended,
17 be amended and reenacted to read as follows:

18 **ARTICLE 17A. PROPERTY INSURANCE DECLINATION, TERMINATION AND**
19 **DISCLOSURE.**

20 **§33-17A-4. Notification and reasons for a transfer, declination**
21 **or termination.**

22 (a) Upon declining to insure ~~any~~ real or personal property,
23 subject to this article, the insurer making a declination shall

1 provide the insurance applicant with a written explanation of the
2 specific reason or reasons for the declination at the time of the
3 declination. The provision of ~~such an~~ insurance application form
4 by an insurer ~~shall create~~ creates no right to coverage on the
5 behalf of the insured to which the insured is not otherwise
6 entitled.

7 (b) A notice of cancellation of property insurance coverage by
8 an insurer shall:

9 (1) Be in writing; ~~shall be~~

10 (2) Delivered to the named insured or sent by first class mail
11 to the named insured at the last known address of the named
12 insured; ~~shall~~

13 (3) State the effective date of the cancellation; and ~~shall be~~

14 (4) Be accompanied by a written explanation of the specific
15 reason or reasons for the cancellation.

16 (c) At least thirty days before the end of a policy period, as
17 described in subsection (c), section three of this article, an
18 insurer shall deliver or send by first class mail to the named
19 insured at the last known address of the named insured, notice of
20 its intention regarding the renewal of the property insurance
21 policy. Notice of an intention not to renew a property insurance
22 policy shall be accompanied by an explanation of the specific
23 reasons for the nonrenewal: *Provided*, That no insurer shall fail
24 to renew an outstanding property insurance policy which has been in

1 existence for four years or longer except for the reasons ~~as~~ set
2 forth in section five of this article or for other valid
3 underwriting reasons which involve a substantial increase in the
4 risk.

5 (d) Notwithstanding any other provisions in this article, no
6 property insurance coverage policy in force for at least three
7 years may be denied renewal or canceled as a result of a single
8 claim arising from natural causes within a three year period of
9 time. For the purposes of this section, "natural causes in a three
10 year period of time" means an act occasioned exclusively by the
11 forces of nature in which direct human activity is excluded from
12 being the primary cause.

13 (e) Notwithstanding any other provisions of this article, an
14 insurer may not cancel or fail to renew a property insurance
15 coverage policy solely because the insured inquires about coverage
16 for a potentially covered loss.

NOTE: The purpose of this bill is to prevent cancellation or nonrenewal of homeowners' insurance based upon a claim arising from natural causes or upon an inquiry that does not result in a claim.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.