

Senate Bill No. 410

(By Senators Tucker, Fitzsimmons, Laird, Miller, Snyder, Walters,
Yost, D. Hall, Kessler (Mr. President) and Stollings)

[Introduced March 1, 2013; referred to the Committee on Banking
and Insurance.]

A BILL to amend and reenact §33-17A-4 of the Code of West Virginia,
1931, as amended, relating to property insurance declination,
termination and disclosure; providing that property insurance
coverage policy in force for at least three years may not be
denied renewal or canceled as a result of any claim arising
from natural causes; and providing that an insured may not
cancel or fail to renew a property insurance coverage policy
solely because the insured inquires about coverage for a
potentially covered loss.

Be it enacted by the Legislature of West Virginia:

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

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

§33-17A-4. Notification and reasons for a transfer, declination

1 **or termination.**

2 (a) Upon declining to insure any real or personal property,
3 subject to this article, the insurer making a declination shall
4 provide the insurance applicant with a written explanation of the
5 specific reason or reasons for the declination at the time of the
6 declination. The provision of such insurance application form by
7 an insurer shall create no right to coverage on the behalf of the
8 insured to which the insured is not otherwise entitled.

9 (b) A notice of cancellation of property insurance coverage by
10 an insurer shall be in writing, shall be delivered to the named
11 insured or sent by first class mail to the named insured at the
12 last known address of the named insured, shall state the effective
13 date of the cancellation and shall be accompanied by a written
14 explanation of the specific reason or reasons for the cancellation.

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

1 forth in section five of this article; or for other valid
2 underwriting reasons which involve a substantial increase in the
3 risk.

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

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

NOTE: The purpose of this bill is to provide that property insurance coverage policy in force for at least three years may not be denied renewal or canceled as a result of any claim arising from natural causes; and that an insured may not cancel or fail to renew a property insurance coverage policy solely because the insured inquires about coverage for a potentially covered loss.

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