

1 COMMITTEE SUBSTITUTE

2 FOR

3 **H. B. 4204**

4
5 (By Delegates Hunt, Manchin, Manypenny, Skinner,
6 Moore, Sponaugle and Ireland)

7 (Originating in the Committee on the Judiciary)

8 [February 20, 2014]

9
10 A BILL to amend and reenact §33-17A-4 of the Code of West Virginia,
11 1931, as amended, relating to the nonrenewal of property
12 insurance policies as a result of certain claims arising from
13 natural causes.

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

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

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

19 **§33-17A-4. Notification and reasons for a transfer, declination**
20 **or termination.**

21 (a) Upon declining to insure any real or personal property,
22 subject to this article, the insurer making a declination shall
23 provide the insurance applicant with a written explanation of the
24 specific reason or reasons for the declination at the time of the
25 declination. The provision of such insurance application form by

1 an insurer shall create no right to coverage on the behalf of the
2 insured to which the insured is not otherwise entitled.

3 (b) A notice of cancellation of property insurance coverage by
4 an insurer shall be in writing, shall be delivered to the named
5 insured or sent by first class mail to the named insured at the
6 last known address of the named insured, shall state the effective
7 date of the cancellation and shall be accompanied by a written
8 explanation of the specific reason or reasons for the cancellation.

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

22 (d) Notwithstanding any other provision of this article, no
23 property insurance coverage policy in force for at least four
24 years, may be denied renewal or canceled solely as a result of:

25 (1) A single first party property damage claim within the

1 previous thirty-six months and that arose from wind, hail,
2 lightning, wildfire, extreme low or high temperature, snow or ice,
3 unless the insurer has evidence that the insured unreasonably
4 failed to maintain the property and that failure to maintain the
5 property contributed to the loss, or

6 (2) Two first party property damage claims within the previous
7 twelve months, both of which arose from claims solely due to an
8 event for which a state of emergency is declared for the county in
9 which the insured property is located, unless the insurer has
10 evidence that the insured unreasonably failed to maintain the
11 property and that failure to maintain the property contributed to
12 the loss. "State of emergency" means the situation existing both
13 during and after the occurrence of a disaster in which a state of
14 emergency has been declared by the Governor or by the Legislature
15 pursuant to the provisions of section six, article five, chapter
16 fifteen of this code or in which a major disaster declaration or
17 emergency declaration has been issued by the President of the
18 United States pursuant to the provisions of 42 U.S.C. §5122.