

deem an insurance producer to be in compliance with the statement requirement under certain circumstances; providing that a certain statement does not create a private right of action; providing for the application of this Act; and generally relating to notices of coverage under homeowner's insurance.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 19-206 and 19-207

Annotated Code of Maryland

(2006 Replacement Volume and 2006 Supplement)

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

Article - Insurance

19-206.

(a) (1) An insurer [or an insurance producer] that sells or negotiates homeowner's insurance in the State shall provide an applicant, at the time a policy of homeowner's insurance is initially purchased, with a written notice that states that a standard homeowner's insurance policy does not cover losses from flood.

(2) If an application is made by telephone, the insurer [or insurance producer] is deemed to be in compliance with this section if, within 7 calendar days after the date of application, the insurer [or insurance producer] sends by certificate of mailing the notice to the applicant or insured.

(3) If an application is made using the Internet, the insurer [or insurance producer] is deemed to be in compliance with this section if the insurer [or insurance producer] provides the notice to the applicant prior to the submission of the application.

(b) The notice shall:

(1) state that flood insurance may be available through the National Flood Insurance Program or other sources;

(2) provide the applicant with the contact information for the National Flood Insurance Program;

(3) advise the applicant to confirm the need for flood insurance with the National Flood Insurance Program or the applicant's mortgage lender;