

HOUSE BILL 1148

C4

(5lr3090)

ENROLLED BILL

— *Economic Matters/Finance* —

Introduced by **Delegates Wivell, Baker, Hinebaugh, and Valentine**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 ~~**Property and Casualty Homeowner's and Renter's Residential Condominium**~~
3 ~~**Unit Insurance – Lapses in Coverage – Prohibition on Denial**~~

4 FOR the purpose of prohibiting ~~a property and casualty~~ an insurer, with respect to
5 ~~homeowner's insurance or renter's residential condominium unit insurance~~, from
6 ~~denying coverage based~~ refusing to issue a policy based solely on a prior lapse in
7 coverage of the applicant under certain circumstances; ~~authorizing a property and~~
8 ~~casualty insurer to require an applicant to submit a certain affidavit~~; and generally
9 relating to ~~property and casualty homeowner's and renter's residential condominium~~
10 unit insurance.

11 BY adding to
12 Article – Insurance
13 Section 27–501(u)
14 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



(2017 Replacement Volume and 2024 Supplement)

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

Article – Insurance

27–501.

~~(U) (1) WITH RESPECT TO PROPERTY AND CASUALTY HOMEOWNER'S
INSURANCE OR RENTER'S INSURANCE, AN INSURER MAY NOT DENY COVERAGE
BASED ON A PRIOR LAPSE IN COVERAGE OF THE APPLICANT IF THE LAPSE IN
COVERAGE WAS:~~

~~(1) (I) DUE TO THE CHOICE OF THE APPLICANT; AND~~

~~(2) (II) NOT DUE TO LOSSES INCURRED BY OR THE CLAIMS HISTORY
OF THE APPLICANT.~~

~~(2) AN INSURER MAY REQUIRE THAT AN APPLICANT SUBMIT AN
AFFIDAVIT STATING THAT THE APPLICANT DID NOT INCUR A LOSS DURING THE
PRIOR LAPSE IN COVERAGE. IF AN APPLICANT FOR RESIDENTIAL CONDOMINIUM
UNIT INSURANCE EXPERIENCES A LAPSE IN COVERAGE OF THE APPLICANT'S PRIOR
RESIDENTIAL CONDOMINIUM UNIT DUE TO AN INSURER'S WITHDRAWAL FROM THE
MARKET, AN INSURER FROM WHOM THE APPLICANT SEEKS NEW RESIDENTIAL
CONDOMINIUM UNIT COVERAGE MAY NOT REFUSE TO ISSUE A POLICY BASED SOLELY
ON THE APPLICANT'S LAPSE IN COVERAGE ON THE UNIT IF:~~

~~(1) THE LAPSE IN COVERAGE WAS FOR NOT LONGER THAN 90 DAYS;~~

~~(2) IF REQUIRED BY THE NEW INSURER, THE APPLICANT PROVIDES AN
AFFIDAVIT THAT THE APPLICANT HAS NOT INCURRED ANY LOSSES DURING THE
LAPSE IN COVERAGE; AND~~

~~(3) THE APPLICANT PROVIDES ANY OTHER DOCUMENTATION
REQUIRED BY THE INSURER.~~

*SECTION 2. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
apply to new residential condominium unit insurance policies issued on or after January 1,
2026.*

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
October 1, 2025.