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**Bulletin 11-13**

Date: June 8, 2011  
To: All Property & Casualty Insurance Companies, All Property & Casualty Insurance Producers, and All Interested Parties  
Re: House Bill 647 and Senate Bill 317, 2011 Legislative Session



During the 2011 Legislative Session, the Maryland General Assembly enacted House Bill 647 and Senate Bill 317, which are identical. These bills add §27-504.1 to the Insurance Article and amends §27-505 to include the new provision. Section 27-504.1(B) provides that:

Except as otherwise provided in this Article, if an individual is a victim of a crime of violence, an insurer may not, based solely on information about an individual's status as a victim of a crime of violence:

- (1) Cancel, refuse to underwrite or renew, or refuse to issue a policy of homeowner's insurance;
- (2) Refuse to pay a claim under a policy of homeowner's insurance; or
- (3) For a policy of homeowner's insurance, increase a premium, add a surcharge, apply a rating factor, retier a policy, remove a discount, or take any other adverse underwriting or rating action.

Section 27-504.1 (C) & (D) of the law further provides that:

- (C)(1) If a policy of homeowner's insurance excludes property coverage for intentional acts, the insurer may not deny payment for a loss to a victim who:
  - (I) Is an innocent coinsured;
  - (II) Did not commit, cause to be committed, or direct the crime of violence leading to the loss; and
  - (III) Cooperates in any criminal investigation including the filing of an official police report, and if undertaken, any prosecution of the perpetrator.

- (2) Payment to the innocent coinsured may be limited to the amount of the loss up to the homeowner's insurance policy limits, less any applicable deductible and coinsurance and any payment to any secured party.
- (3) An insurer may exclude property owned solely by the perpetrator from coverage under the policy of homeowner's insurance.
- (4) An insurer making payment to the innocent coinsured under this section shall have the right of subrogation against the perpetrator who committed, caused to be committed, or directed the crime of violence leading to the loss.

(D) This section does not:

- (1) Require payment in excess of a homeowner's insurance policy limits;
- (2) Prohibit an insurer from applying reasonable standards of proof of a claim; or
- (3) Prohibit an insurer or insurance producer from:
  - (I) Asking an applicant, a policyholder, or a claimant about a claim under this section; or
  - (II) Using information obtained by investigation to evaluate a claim and exercise the insurer's rights and perform its duties.

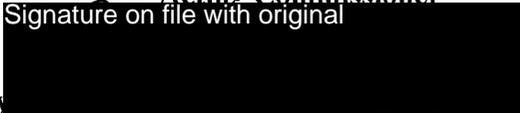
*This law has an effective date of October 1, 2011 and all carriers must comply with the law as of that date. Carriers have until October 1, 2012 to revise their forms to conform with the changes in the law.*

If you have any questions regarding this Bulletin, please contact Joy Hatchette, Associate Commissioner, Consumer Education & Advocacy by telephone at (410) 468-2029 or by e-mail at [jhatchette@mdinsurance.state.md.us](mailto:jhatchette@mdinsurance.state.md.us).

**Beth Sammis**

**Acting Commissioner**

Signature on file with original

By   
Joy Hatchette, Associate Commissioner  
Consumer Education & Advocacy