

**State Corporation Commission
2004 Fiscal Impact Statement**

1. Bill Number HB609

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Gear

3. Committee Commerce and Labor

4. Title Homeowners insurance; flood coverage; notices outlining flood coverage.

5. Summary/Purpose: Requires the flood exclusion notice advise policyholders that (i) they may purchase contents coverage under a flood policy for an additional premium, (ii) they should discuss flood coverage with their agent or the National Flood Insurance Program, and (iii) they should read their flood policy carefully to understand its coverages, exclusions, and limitations. Receipt of the flood exclusion notice must also be acknowledged, in writing, by the policyholder.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: There is a typo on Line 22; "understandits" should read "understand it."

11. Other comments: This bill makes the policyholder more aware of what coverages are available under a flood policy and the importance and need for flood insurance. The State Corporation Commission Bureau of Insurance recommended to Delegate Gear that the last sentence on Lines 23 and 24 be deleted since it is not practicable to require a policyholder to send written acknowledgement regarding a policy notice that the policyholder may, in fact, disregard. It is the Bureau's understanding that Delegate Gear plans to amend the bill accordingly.

Date: 02/04/04 / V. Tompkins

cc: Secretary of Commerce and Trade