

# VIRGINIA ACTS OF ASSEMBLY -- 2005 SESSION

## CHAPTER 285

*An Act to amend and reenact § 55-248.7:2 of the Code of Virginia, relating to the Virginia Residential Landlord and Tenant Act; insurance.*

[H 1711]

Approved March 20, 2005

**Be it enacted by the General Assembly of Virginia:**

**1. That § 55-248.7:2 of the Code of Virginia is amended and reenacted as follows:**

§ 55-248.7:2. Landlord may obtain certain insurance for tenant.

A. **Damage Insurance.** A landlord may require as a condition of tenancy that a tenant pay for the cost of premiums for commercial insurance coverage, obtained by the landlord, to secure the performance by the tenant of the terms and conditions of the rental agreement, generally known as "damage insurance." As provided in § 55-248.4, such payments shall not be deemed a security deposit, but shall be rent. However, as provided in § 55-248.9, the landlord cannot require a tenant to pay both security deposits and the cost of damage insurance premiums, if the amount of any security deposits and damage insurance premiums exceeds the amount of two months' periodic rent. The landlord shall notify a tenant in writing that the tenant has the right to obtain a separate policy from the landlord's policy for damage insurance. If a tenant elects to obtain a separate policy, the tenant shall submit to the landlord written proof of such coverage and shall maintain such coverage at all times during the term of the rental agreement.

B. **Renter's Insurance.** A landlord may require as a condition of tenancy that a tenant pay for the cost of premiums for property and casualty insurance, obtained by the landlord, to provide liability coverage for the tenant and property coverage for the tenant's personal property in the dwelling unit, which is generally known as "renter's insurance." As provided in § 55-248.4, such payments shall not be deemed a security deposit, but shall be rent. If the landlord requires that such premiums be paid prior to the commencement of the tenancy, the total amount of all security deposits and insurance premiums for damage insurance and renter's insurance shall not exceed the amount of two months' periodic rent. Otherwise, the landlord may add a monthly amount as additional rent to recover the costs of such insurance coverage. The landlord shall notify a tenant in writing that the tenant has the right to obtain a separate policy from the landlord's policy for renter's insurance. If a tenant elects to obtain a separate policy, the tenant shall submit to the landlord written proof of such coverage and shall maintain such coverage at all times during the term of the rental agreement.

C. ~~A landlord's authority under this section to obtain for a tenant either damage insurance or renter's insurance shall be limited to the purchase of a rider on the landlord's property and casualty insurance contract, and~~ *Where a landlord obtains for a tenant either damage insurance or renter's insurance pursuant to subsection A or B,* the landlord shall name the tenant as a "co-insured," so that the tenant will have privity of contract with the insurance company. Further, the landlord shall only be reimbursed for the actual costs of such insurance coverage and shall not be entitled to recover administrative or other fees associated with the insurance coverage provided to the tenant pursuant to this section. If a landlord obtains either damage insurance or renter's insurance for his tenants, the landlord shall provide to each tenant, prior to execution of the rental agreement, a copy of the insurance policies, and a summary prepared by the insurer explaining the coverage being provided.