

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact §§ 55-225.24 and 55-248.7:2 of the Code of Virginia, relating to landlord and tenant; disclosure of waiver of subrogation provision in renter's insurance policy obtained by a landlord on behalf of a tenant.*

[H 2304]

Approved

**Be it enacted by the General Assembly of Virginia:****1. That §§ 55-225.24 and 55-248.7:2 of the Code of Virginia are amended and reenacted as follows:****§ 55-225.24. Landlord may obtain certain insurance for tenant.**

A. Damage Insurance. A landlord may require as a condition of tenancy that a tenant have commercial insurance coverage as specified in the rental agreement to secure the performance by the tenant of the terms and conditions of the rental agreement and pay for the cost of premiums for such insurance coverage obtained by the landlord, generally known as "damage insurance." As provided in § 55-225.02, such payments shall not be deemed a security deposit, but shall be rent. However, the landlord shall not require a tenant to pay both security deposits and the cost of damage insurance premiums, if the total 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. Where a landlord obtains damage insurance coverage on behalf of a tenant, the insurance policy shall provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual costs of such insurance coverage and may recover administrative or other fees associated with administration of a damage insurance policy, including a tenant opting out of the insurance coverage provided by the landlord pursuant to this subsection. If a landlord obtains damage insurance for his tenants, the landlord shall provide to each tenant, prior to execution of the rental agreement, a summary of the insurance policy or certificate evidencing the coverage being provided and upon request of the tenant make available a copy of the insurance policy.

B. Renter's Insurance. A landlord may require as a condition of tenancy that a tenant have renter's insurance as specified in the rental agreement that is a combination multi-peril policy containing fire, miscellaneous property, and personal liability coverage insuring personal property located in residential units not occupied by the owner. A landlord may require a tenant to pay for the cost of premiums for such insurance obtained by the landlord, to provide such coverage for the tenant as part of rent or as otherwise provided herein. As provided in § 55-225.02, 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. If a tenant allows his renter's insurance policy required by the rental agreement to lapse for any reason, the landlord may provide any landlord's renter's insurance coverage to such tenant. The tenant shall be obligated to pay for the cost of premiums for such insurance as rent or as otherwise provided herein until the tenant has provided written documentation to the landlord showing that the tenant has reinstated his own renter's insurance coverage.

C. Where a landlord obtains renter's insurance coverage on behalf of a tenant, the insurance policy shall provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual costs of such insurance coverage and may recover administrative or other fees associated with the administration of a renter's insurance program, including a tenant opting out of the insurance coverage provided to the tenant pursuant to this subsection. If a landlord obtains renter's insurance for his tenants, the landlord shall provide to each tenant, prior to execution of the rental agreement, a summary of the insurance policy prepared by the insurer or certificate evidencing the coverage being provided and upon request of the tenant make available a copy of the insurance policy. *Such summary or certificate shall include a statement regarding whether the insurance policy contains a waiver of subrogation provision. Any failure of the landlord to provide such summary or certificate, or to make available a copy of the*

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57 *insurance policy, shall not affect the validity of the rental agreement.*

58 D. Nothing in this section shall be construed to prohibit the landlord from recovering from the tenant  
59 as part of the rent, the tenant's prorated share of the actual costs of other insurance coverages provided  
60 by the landlord relative to the premises, or the tenant's prorated share of a self-insurance program held  
61 in an escrow account by the landlord, including the landlord's administrative or other fees associated  
62 with the administration of such coverages. The landlord may apply such funds held in escrow to pay  
63 claims pursuant to the landlord's self-insurance plan.

64 **§ 55-248.7:2. Landlord may obtain certain insurance for tenant.**

65 A. Damage Insurance. A landlord may require as a condition of tenancy that a tenant have  
66 commercial insurance coverage as specified in the rental agreement to secure the performance by the  
67 tenant of the terms and conditions of the rental agreement and pay for the cost of premiums for such  
68 insurance coverage obtained by the landlord, generally known as "damage insurance." As provided in  
69 § 55-248.4, such payments shall not be deemed a security deposit, but shall be rent. However, as  
70 provided in § 55-248.9, the landlord cannot require a tenant to pay both security deposits and the cost of  
71 damage insurance premiums, if the total amount of any security deposits and damage insurance  
72 premiums exceeds the amount of two months' periodic rent. The landlord shall notify a tenant in writing  
73 that the tenant has the right to obtain a separate policy from the landlord's policy for damage insurance.  
74 If a tenant elects to obtain a separate policy, the tenant shall submit to the landlord written proof of  
75 such coverage and shall maintain such coverage at all times during the term of the rental agreement.  
76 Where a landlord obtains damage insurance coverage on behalf of a tenant, the insurance policy shall  
77 provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual costs  
78 of such insurance coverage and may recover administrative or other fees associated with administration  
79 of a damage insurance policy, including a tenant opting out of the insurance coverage provided by the  
80 landlord pursuant to this subsection. If a landlord obtains damage insurance for his tenants, the landlord  
81 shall provide to each tenant, prior to execution of the rental agreement, a summary of the insurance  
82 policy or certificate evidencing the coverage being provided and upon request of the tenant make  
83 available a copy of the insurance policy.

84 B. Renter's Insurance. A landlord may require as a condition of tenancy that a tenant have renter's  
85 insurance as specified in the rental agreement that is a combination multi-peril policy containing fire,  
86 miscellaneous property, and personal liability coverage insuring personal property located in residential  
87 units not occupied by the owner. A landlord may require a tenant to pay for the cost of premiums for  
88 such insurance obtained by the landlord, to provide such coverage for the tenant as part of rent or as  
89 otherwise provided herein. As provided in § 55-248.4, such payments shall not be deemed a security  
90 deposit, but shall be rent. If the landlord requires that such premiums be paid prior to the  
91 commencement of the tenancy, the total amount of all security deposits and insurance premiums for  
92 damage insurance and renter's insurance shall not exceed the amount of two months' periodic rent.  
93 Otherwise, the landlord may add a monthly amount as additional rent to recover the costs of such  
94 insurance coverage. The landlord shall notify a tenant in writing that the tenant has the right to obtain a  
95 separate policy from the landlord's policy for renter's insurance. If a tenant elects to obtain a separate  
96 policy, the tenant shall submit to the landlord written proof of such coverage and shall maintain such  
97 coverage at all times during the term of the rental agreement. If a tenant allows his renter's insurance  
98 policy required by the rental agreement to lapse for any reason, the landlord may provide any landlord's  
99 renter's insurance coverage to such tenant. The tenant shall be obligated to pay for the cost of premiums  
100 for such insurance as rent or as otherwise provided herein until the tenant has provided written  
101 documentation to the landlord showing that the tenant has reinstated his own renter's insurance coverage.

102 C. Where a landlord obtains renter's insurance coverage on behalf of a tenant, the insurance policy  
103 shall provide coverage for the tenant as an insured. The landlord shall recover from the tenant the actual  
104 costs of such insurance coverage and may recover administrative or other fees associated with the  
105 administration of a renter's insurance program, including a tenant opting out of the insurance coverage  
106 provided to the tenant pursuant to this subsection. If a landlord obtains renter's insurance for his tenants,  
107 the landlord shall provide to each tenant, prior to execution of the rental agreement, a summary of the  
108 insurance policy prepared by the insurer or certificate evidencing the coverage being provided and upon  
109 request of the tenant make available a copy of the insurance policy. *Such summary or certificate shall*  
110 *include a statement regarding whether the insurance policy contains a waiver of subrogation provision.*  
111 *Any failure of the landlord to provide such summary or certificate, or to make available a copy of the*  
112 *insurance policy, shall not affect the validity of the rental agreement.*

113 D. Nothing in this section shall be construed to prohibit the landlord from recovering from the tenant  
114 as part of the rent, the tenant's prorated share of the actual costs of other insurance coverages provided  
115 by the landlord relative to the premises, or the tenant's prorated share of a self-insurance program held  
116 in an escrow account by the landlord, including the landlord's administrative or other fees associated  
117 with the administration of such coverages. The landlord may apply such funds held in escrow to pay

**118** claims pursuant to the landlord's self-insurance plan.