ENROLLED

COMMITTEE SUBSTITUTE

FOR

H. B. 4204

(By Delegates Hunt, Manchin, Manypenny, Skinner,
Moore, Sponaugle and Ireland)

[Passed March 8, 2014; in effect ninety days from passage.]

AN ACT to amend and reenact §33-17A-4 of the Code of West Virginia, 1931, as amended, relating to the nonrenewal or cancellation of property insurance coverage policies in force for at least four years; prohibiting nonrenewal or cancellation of such policies as a result of certain claims arising from natural causes; prohibiting nonrenewal or cancellation of such policies as a result of certain claims arising from declared states of emergency.

Be it enacted by the Legislature of West Virginia:

That §33-17A-4 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 17A.   PROPERTY INSURANCE DECLINATION, TERMINATION AND DISCLOSURE.

§33-17A-4.   Notification and reasons for a transfer, declination or termination.

(a) Upon declining to insure any real or personal property, subject to this article, the insurer making a declination shall provide the insurance applicant with a written explanation of the

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1 specific reason or reasons for the declination at the time of the

2 declination. The provision of such insurance application form by

3 an insurer shall create no right to coverage on the behalf of the

4 insured to which the insured is not otherwise entitled.

5   (b) A notice of cancellation of property insurance coverage by

6 an insurer shall be in writing, shall be delivered to the named

7 insured or sent by first class mail to the named insured at the

8 last known address of the named insured, shall state the effective

9 date of the cancellation and shall be accompanied by a written

10 explanation of the specific reason or reasons for the cancellation.

11   (c) At least thirty days before the end of a policy period, as

12 described in subsection (c), section three of this article, an

13 insurer shall deliver or send by first class mail to the named

14 insured at the last known address of the named insured, notice of

15 its intention regarding the renewal of the property insurance

16 policy. Notice of an intention not to renew a property insurance

17 policy shall be accompanied by an explanation of the specific

18 reasons for the nonrenewal: *Provided,* That no insurer shall fail to

19 renew an outstanding property insurance policy which has been in

20 existence for four years or longer except for the reasons as set

21 forth in section five of this article; or for other valid

22 underwriting reasons which involve a substantial increase in the

23 risk: *Provided, however*, That notwithstanding any other provision

24 of this article, no property insurance coverage policy in force for

25 at least four years, may be denied renewal or canceled solely as a

26 result of:

27   (1) A single first party property damage claim within the

1   previous thirty-six months and that arose from wind, hail,

2   lightning, wildfire, snow or ice, unless the insurer has evidence

3   that the insured unreasonably failed to maintain the property and

4   that failure to maintain the property contributed to the loss, or

5   (2) Two first party property damage claims within the previous

6   twelve months, both of which arose from claims solely due to an

7   event for which a state of emergency is declared for the county in

8   which the insured property is located, unless the insurer has

9   evidence that the insured unreasonably failed to maintain the

10   property and that failure to maintain the property contributed to

11   the loss. "State of emergency" means the situation existing after

12   the occurrence of a disaster in which a state of emergency has been

13   declared by the Governor or by the Legislature pursuant to the

14   provisions of section six, article five, chapter fifteen of this

15   code or in which a major disaster declaration or emergency

16   declaration has been issued by the President of the United States

17   pursuant to the provisions of 42 U. S. C. §5122.