

1 **H. B. 4204**

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

5 [Introduced January 16, 2014; referred to the
6 Committee on Banking and Insurance then the Judiciary.]

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10 A BILL to amend and reenact §33-17A-4 of the Code of West Virginia,
11 1931, as amended, relating to the nonrenewal of property
12 insurance policies as a result of certain claims arising from
13 natural causes.

14 *Be it enacted by the Legislature of West Virginia:*

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

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

19 **§33-17A-4. Notification and reasons for a transfer, declination**
20 **or termination.**

21 (a) Upon declining to insure any real or personal property,
22 subject to this article, the insurer making a declination shall
23 provide the insurance applicant with a written explanation of the
24 specific reason or reasons for the declination at the time of the

1 declination. The provision of such insurance application form by
2 an insurer shall create no right to coverage on the behalf of the
3 insured to which the insured is not otherwise entitled.

4 (b) A notice of cancellation of property insurance coverage by
5 an insurer shall be in writing, shall be delivered to the named
6 insured or sent by first class mail to the named insured at the
7 last known address of the named insured, shall state the effective
8 date of the cancellation and shall be accompanied by a written
9 explanation of the specific reason or reasons for the cancellation.

10 (c) At least thirty days before the end of a policy period, as
11 described in subsection (c), section three of this article, an
12 insurer shall deliver or send by first class mail to the named
13 insured at the last known address of the named insured, notice of
14 its intention regarding the renewal of the property insurance
15 policy. Notice of an intention not to renew a property insurance
16 policy shall be accompanied by an explanation of the specific
17 reasons for the nonrenewal: *Provided*, That no insurer shall fail
18 to renew an outstanding property insurance policy which has been in
19 existence for four years or longer except for the reasons as set
20 forth in section five of this article; or for other valid
21 underwriting reasons which involve a substantial increase in the
22 risk.

23 (d) Notwithstanding any other provision of this article, no
24 property insurance coverage policy in force for at least four

1 years, may be denied renewal or canceled solely as a result of:

2 (1) A single first party property damage claim within the
3 previous thirty-six months and that arose from wind, hail,
4 lightning, wildfire, extreme low or high temperature, snow or ice,
5 unless the insurer has evidence that the insured unreasonably
6 failed to maintain the property and that failure to maintain the
7 property contributed to the loss, or

8 (2) Two first party property damage claims within the previous
9 twelve months, both of which arose from claims solely due to a
10 state of emergency for the county in which the insured property is
11 located, unless the insurer has evidence that the insured
12 unreasonably failed to maintain the property and that failure to
13 maintain the property contributed to the loss. "State of
14 emergency" means the situation existing after the occurrence of a
15 disaster in which a state of emergency has been declared by the
16 Governor or by the Legislature pursuant to the provisions of
17 section six, article five, chapter fifteen of this code or in which
18 a major disaster declaration or emergency declaration has been
19 issued by the President of the United States pursuant to the
20 provisions of 42 U.S.C. §5122.

NOTE: This bill was recommended for introduction and passage by the Joint Committee on the Judiciary. The bill prohibits the nonrenewal or cancellation of a property insurance coverage policy as a result of certain claims arising from natural causes under

certain circumstances.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.