



July 22, 2008

MD CLARIFIES REQUIREMENTS ON OFFER OF WATER BACK UP COVERAGE ON HOMEOWNERS

- BACKGROUND** House Bill 405 has recently been signed into law in Maryland affecting personal lines property coverages.
- HB 405 clarifies the requirements that the offer of water backup coverage on a homeowners policy be made in writing but specifically addresses application or renewals made by telephone or the internet.
- HB 405** If an application or renewal is made by telephone, the insurer is deemed to be in compliance if, within seven calendar days after the date of the application or renewal, the insurer sends by certificate of mailing the offer to the applicant or insured.
- If an application or renewal is made using the internet, the insurer is deemed to be in compliance if the insurer provides the offer to the applicant or insured prior to submission of the application or renewal.
- MSO® ACTION** We have revised the Water Backup rule in the MSO Homeowners / Mobile Homeowners manual to state that the offer of water backup coverage must be made in writing at time of application or renewal.
- EFFECTIVE DATE** October 1, 2008.
- DISTRIBUTION** The revised manual pages will be added to the CD-ROM. Affiliated companies will be able to access these through our website: <http://www.msonet.com>.
- QUESTIONS** Contact Pepper Treuvey, AU at (800) 935-6900.