WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2014

ENROLLED

COMMITTEE SUBSTITUTE FOR

House Bill No. 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 specific reason or reasons for the declination at the time of the declination. The provision of such insurance application form by an insurer shall create no right to coverage on the behalf of the insured to which the insured is not otherwise entitled.

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

(c) At least thirty days before the end of a policy period, as described in subsection (c), section three of this article, an insurer shall deliver or send by first class mail to the named insured at the last known address of the named insured, notice of its intention regarding the renewal of the property insurance policy. Notice of an intention not to renew a property insurance policy shall be accompanied by an explanation of the specific reasons for the nonrenewal: Provided, That no insurer shall fail to renew an outstanding property insurance policy which has been in existence for four years or longer except for the reasons as set forth in section five of this article; or for other valid underwriting reasons which involve a substantial increase in the risk: Provided, however, That notwithstanding any other provision of this article, no property insurance coverage policy in force for at least four years, may be denied renewal or canceled solely as a result of:
(1) A single first party property damage claim within the previous thirty-six months and that arose from wind, hail, lightning, wildfire, snow or ice, unless the insurer has evidence that the insured unreasonably failed to maintain the property and that failure to maintain the property contributed to the loss, or

(2) Two first party property damage claims within the previous twelve months, both of which arose from claims solely due to an event for which a state of emergency is declared for the county in which the insured property is located, unless the insurer has evidence that the insured unreasonably failed to maintain the property and that failure to maintain the property contributed to the loss. “State of emergency” means the situation existing after the occurrence of a disaster in which a state of emergency has been declared by the Governor or by the Legislature pursuant to the provisions of section six, article five, chapter fifteen of this code or in which a major disaster declaration or emergency declaration has been issued by the President of the United States pursuant to the provisions of 42 U. S. C. §5122.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman, House Committee

Member, Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

Clerk of the House of Delegates

Clerk of the Senate

Speaker of the House of Delegates

President of the Senate

The within is approved this the 26th day of March, 2014.

Governor
PRESENTED TO THE GOVERNOR

MARCH 20, 2014

Time 11:00 a.m.