

1 H.277

2 Introduced by Representatives Botzow of Pownal and Marcotte of Coventry

3 Referred to Committee on

4 Date:

5 Subject: Insurance; property; severe weather deductibles; prohibition

6 Statement of purpose of bill as introduced: This bill proposes to prohibit an
7 insurer from including in a residential property insurance policy a separate
8 deductible applicable to loss or damage caused by a severe weather event.

9 An act relating to severe weather deductibles

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 8 V.S.A. § 3316 is added to read:

12 § 3316. SEVERE WEATHER DEDUCTIBLES; PROHIBITION

13 (a) As used in this section:

14 (1) “Deductible” means a policy provision requiring the insured to be
15 responsible for a specific amount or percentage of a loss or for a percentage of
16 the insured value on the policy and the insurer to pay covered losses in excess
17 of that amount.

18 (2) “Hailstorm” means a weather-related event resulting in loss or
19 damage to property caused by hail which is not a hurricane or tropical storm.

1 (3) "Hurricane" means a weather-related event for which the National
2 Weather Service has issued a hurricane warning for any part of Vermont.

3 (4) "National Weather Service" means the weather information service
4 of the National Oceanic and Atmospheric Administration, U.S. Department of
5 Commerce. It includes the National Hurricane Center.

6 (5) "Separate deductible" means a deductible that becomes effective
7 when an insurance claim is related to a specific event or occurrence.

8 (6) "Tropical storm" means a weather-related event for which the
9 National Weather Service has issued a tropical storm warning for any part of
10 Vermont.

11 (7) "Windstorm" means a weather-related event resulting in loss or
12 damage to property caused by wind which is not a hurricane or tropical storm.

13 (b) It shall be unlawful for any insurer to include in a residential property
14 insurance policy a separate deductible applicable to loss or damage caused
15 by a:

16 (1) hurricane;

17 (2) tropical storm;

18 (3) windstorm; or

19 (4) hailstorm.

20 (c) Any provision of a residential property insurance policy that includes a
21 separate deductible prohibited under this section shall be void.

1 Sec. 2. EFFECTIVE DATE; APPLICATION

2 This section shall take effect on passage and shall apply to all policies

3 delivered, issued for delivery, or renewed in this State on or after that date.