

HOUSE RESEARCH

Bill Summary

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Overview

This bill limits nonrenewal of homeowner's insurance and prohibits use of certain factors for underwriting purposes in automobile and homeowner's insurance.

- 1 Rules.** Current department of commerce rules permit nonrenewal of homeowner's insurance if the insured has two or more claims within a three year period. This section permits nonrenewal on the basis of two claims only if the claims total \$3,000 or more. This section would not affect the ability under the current rule to nonrenew after three or more claims, regardless of amount.
- 2 Automobile insurance; discrimination in automobile policies forbidden.** Prohibits any auto insurance underwriting based on the desire to buy a policy without collision or comprehensive coverage. Provides that the existing prohibition on discrimination based on disability prohibits routinely requiring information beyond a relevant questionnaire filled out by the applicant.
- 3 Prohibited underwriting practices; homeowner's insurance.** Prohibits underwriting for homeowner's insurance due to employment status or residential stability. Makes technical changes to improve sentence structure of current law.
- 4 Effective date.** Effective January 1, 2000. Makes section 1 effective on that date regardless of whether the commissioner of commerce has amended the rules to comply by that date.