

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 111

**DATE:** March 3, 1999

**Version:** As introduced

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**Subject:** Auto and Homeowner's Insurance

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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.** Prohibits counting losses by natural causes for homeowner's nonrenewal. Prohibits nonrenewal based upon two or fewer claims during the experience period, which is three years under department of commerce rules. If there are more than two claims, prohibits nonrenewal unless the total losses exceed \$3,000 or the number of claims exceeds three.
- 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.
- 4 Effective date.** Effective January 1, 2000. Section 1 is effective on that date regardless of whether the commissioner of commerce has amended the rules to comply.