

HB 809

2024

26 | policy that limits coverage on the dwelling equal to the unpaid
27 | principal balance of all mortgage loans on the risk, the insurer
28 | shall obtain a statement signed by all insureds which contains
29 | the following notice in boldfaced type no smaller than 18 point:
30 | "YOU ARE ELECTING TO PURCHASE COVERAGE AT A LIMIT THAT IS EQUAL
31 | TO ONLY THE UNPAID PRINCIPAL BALANCE OF THE MORTGAGE LOANS ON
32 | YOUR HOME. ACCORDINGLY, IN THE EVENT OF THE TOTAL LOSS OF YOUR
33 | HOME OR A LOSS FOR WHICH THE COST TO REPAIR YOUR HOME EXCEEDS
34 | THE UNPAID BALANCE ON YOUR MORTGAGE LOAN, YOU WILL INCUR
35 | SIGNIFICANT FINANCIAL LOSSES, INCLUDING THE POTENTIAL LOSS OF
36 | SOME OF YOUR HOME'S EQUITY."

37 | (2) A personal lines residential property insurer may not,
38 | as a condition of issuing coverage, require a coverage limit on
39 | the dwelling which includes the value of the land upon which the
40 | dwelling sits.

41 | Section 2. This act shall take effect July 1, 2024.