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An Act To Clarify Limitations on Homeowner's Insurance Policies Regarding Claims on Vacant Properties

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §3043 is enacted to read:

§ 3043. Vacant property

1. Vacant property. An insurance contract under this chapter covering a property used as a residence may disallow coverage due to the property's being vacant only for a claim that occurs more than 60 days after the insurer's sending a statement under subsection 2 to the insured.

2. Statement. Upon receiving information that a property used as a residence and insured by the insurer is vacant, an insurer must send to the insured's address a statement that in plain language details the insurance contract's policy regarding vacant property and defines "vacant" in a clear manner understandable to a reasonable person.

SUMMARY

This bill requires an insurer, upon receiving information that a property used as a residence and insured by the insurer is vacant, to send a statement to the insured explaining the policy regarding vacant property and defining "vacant." This bill allows an insurer to deny coverage for a claim on a vacant property used as a residence only for a claim that occurs more than 60 days after the insurer's sending the statement to the insured.