

The Charge of the Standard Personal Lines Advisory Committee

Excerpt from SB 1486

Section 8. STANDARD PERSONAL LINES RESIDENTIAL INSURANCE POLICY

PURPOSE AND INTENT:

To have property and casualty insurers offer standard personal lines residential property insurance policies and standard checklists of policy contents.

To ensure that these policies and checklists are written in a simple format with easily readable language that will enable most consumers to understand:

- The principal benefits and coverage provided in the policy;
- The principal exclusions and limitations or reductions contained in the policy, including but not limited to, deductibles, coinsurance, and any other limitation or reductions;
- Any additional coverage provided through any rider or endorsement that accompanies the policy and renewal or cancellation provisions

The Chief Financial Officer shall appoint an advisory committee composed of:

- Two representatives of insurers currently selling personal lines residential property insurance coverage, two representatives of property and casualty agents;
- Two representatives of property and casualty agents,
- Two representatives of consumers,
- Two representatives of the Commissioner of Insurance Regulation,
- The Insurance Consumer Advocate or her or his designee.
- The Chief Financial Officer or her or his designee shall serve as chair of the committee.

The committee shall:

- Develop policy language for coverage that represents general industry standards in the market for comprehensive coverage under personal lines residential insurance policies and shall develop a checklist to be used with each type of personal lines residential property insurance policy.
- Review policies and related forms written by Insurance Services Office, Inc.
- File a report containing its recommendations to the President of the Senate and the Speaker of the House of Representatives by January 15, 2006.